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CHINA REPORT RED FLAG

No. 23, 1 December 1985

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GIVE PLAY TO THE ROLE OF GOVERNMENT ORGANS IN PROPERLY PERFORMING THEIR
FUNCTION OF MANAGING THE ECONOMY

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 2-6

[Article by Yang Qixian [2799 0796 0341]]

[Text] The "Decision on the Reform of the Economic Structure," passed at the 3d Plenary Session of the 12th CPC Central Committee, has confirmed that after the proletariat and the people have taken state political power into their hands, state organs have the function of leading and organizing economic construction. In addition, it has also pointed out that "how our state organs, especially government departments, can better lead and organize economic construction to meet the needs of the national economy and social development still remains a question calling for effective solution." In order to completely free the economic system from various malpractices and to more properly give play to the role of government organs in economic management by combining our positive and negative experiences in handling this problem in past years, with the practice of the reform in recent years, in the spirit of the "Decision," it is necessary to satisfactorily solve the following three problems.

I. Separate Government From Enterprise Function, Adhere to the Principle of Simpler and Decentralized Administration

For a long time, there has been an incorrect understanding of the question of the state management of the economy. It has been suggested that the management of an economy by a socialist state means that government organs should directly manage and take part in the business of and production in the enterprises, directly administer the manpower and financial and material resources of the enterprises, and directly supervise such specific activities as supply, production, marketing, and internal and external trade. The state's special departments responsible for managing the economy were supposed to manage a number of enterprises. Each enterprise was supposed to be subordinate to a certain department or locality. The enterprises were graded according to whether they were subordinate to the central government, a province, a city, a prefecture, or a county. Whatever its size, an enterprise was basically required to operate in accordance with the instructions issued by the leading organ to which the enterprise was directly subordinate. Thus, the enterprises were in effect the subsidiary bodies of

the administrative organs at various levels or, in other words, the "beads of an abacus." The central and local governments at various levels, while attending to many things they should not have been attending to, failed to manage, or failed to satisfactorily manage, the things they should have been managing. Such a state of affairs prevented the enterprises and the grass-roots units from giving play to their enthusiasm and initiative. The departments and localities were separate from one another and there was no communication between them. In addition, the government organs were gravely prevented from performing their proper function of managing the economy.

In order to reform the economic structure, it is necessary to adhere to the principle of the separation of the functions of government and enterprises and simpler, decentralized administration. Government departments at all levels should, on the basis of macroeconomics and the overall situations in various industries or localities, organize and manage those things which should be managed by the government and resolutely delegate the microeconomic decisionmaking power and organizational and administrative power that should go to the enterprises to them. The "Decision" has clearly defined the limits of the government organs' functions in managing the economy: "They should formulate the strategy, plans, principles, and policies for economic and social development; work out plans for the exploitation of natural resources, for technical transformation, and for the development of intellectual resources; coordinate the development plans of localities, departments, or enterprises and the economic relations among them; arrange for the construction of key projects, especially those in energy, transport, and the raw and semifinished materials industries; collect and disseminate economic information, learn to utilize economic means of regulation; work out economic regulations and ordinances, and supervise their execution; appoint and remove cadres within a prescribed scope; administer matters related to external economic and technological exchanges and cooperation; and so on." The enterprises should, under the supervision and guidance of certain state policies and plans, be independently responsible for their production, supply, and marketing, their own personnel arrangements, recruiting their own workers, and the utilization of the funds retained by them. In this way, the enterprises will truly become relatively independent economic entities and producers and operators of socialist commodity production that are independent and responsible for their own profits and losses and capable of transforming and developing themselves and that act as legal entities with certain rights and duties. In line with all this is the principle that in the future, as a rule, with the exception of the enterprises in a few special industries, enterprises will no longer be directly managed by government departments at various levels. As for those few departments explicitly empowered by the state to directly manage enterprises, they should not stick to their old practices and put the enterprises under rigid control. They should, in the spirit of the principle of simpler and decentralized administration, delegate as much power as they should enjoy to the enterprises in order to add to their vitality. These recommendations are totally correct and in line with the objective development of our economy. They play an important role in the establishment of an economic system which is capable of ensuring the unity of the national economy as well as flexibility in the enterprises' operations.

In order to implement the above recommendations, it is necessary to pay special attention to properly handling the following two problems:

First, it is necessary to adhere to the principle of decentralization in economic affairs and to discard the practice of a division of administrative power. The key to the implementation of the principle of separating government and enterprise functions and making administration simpler and more decentralized lies in the decentralization of administration. However, decentralization can mean two different things: On one hand, administration can really be decentralized in an economic sense. That means, we can resolutely empower the enterprises to administer the manpower and financial and material resources, to operate, and to manage supply, production, and marketing. In fact, they are entitled to these powers. In this way, the enterprises can exercise their indispensable decisionmaking power and management power in their daily, routine operations. On the other hand, one may also institute a division of administrative power. That means, we can simply divide up some power of the government departments at a certain level and distribute it to government departments at lower levels. In a division of administrative power, as there is only a transfer of power among the government departments, the original basic patterns can remain virtually untouched. This problem is rather simple. An order suffices to achieve all this. However, practice in 1958 and 1970, when we extensively decentralized power, proved that this method can only turn the enterprises, which were originally the subsidiary bodies of the central government organs, into subsidiary bodies of the local government organs and that it cannot fundamentally solve the crucial problems of the merging of government and enterprise functions and of the enterprises' lack of vitality. Conversely, because of the decentralization of the powers that should be centralized, the central government organs' role as the chief regulators may be weakened. In this way, the localities will be encouraged to do things in their own ways and establish their own systems. In addition, the important ratios will be out of balance and there will be serious confusion in the overall economic situation. In order to put an end to such confusion, the state will have to recentralize the powers. In this way, the reform of the economic structure may generate the repetitious cycle of centralization, rigidity, complaints, decentralization, confusion, and centralization again. In addition, economic development will be unduly impaired. We should earnestly summarize and learn from past lessons.

Second, it is necessary to appropriately assess and give play to the role of the corporations. In recent years, various departments, localities, and cities have established many corporations. Many comrades even think of using the corporations as a new basic form of organization to replace the government departments in managing the enterprises. The corporations, as organizational forms, can differ from one another in their makeup. A corporation can be an independent, or relatively independent, economic entity and a true economic legal entity with the right to operate independently and to assume the sole responsibility for its own profit or loss. That means, a corporation is a body that functions as an enterprise. On the other hand, a corporation can simply be an administrative unit with a new name or an administrative organization artificially established by means of

administrative orders to take charge of those enterprises in existence. Such a corporation is called an administrative corporation. Practice has proved that administrative corporations are corporations in name only. They only add to the number of administrative organs and the levels of management. In addition, they very often rigidly control the enterprises. Thus, at present, we should not establish more and more corporations. We should, according to different circumstances, earnestly consolidate the existing corporations. Those corporations with potentials for future development and those successful ones should be allowed to continue with their operations. In this way, they can be gradually perfected. As for those corporations which are but administrative organs with new names, which have been established for the placement of all kinds of people, and which in effect add to the number of administrative organs and the levels of administration, they should be resolutely abolished. However, some of them can be transformed into corporations providing various services and assuming the sole responsibility for their own losses and profits, provided that they can give impetus to the development of socialized production. Administrative corporations with the proper conditions and the need to become actual corporations can be gradually transformed into corporations that function as enterprises.

Under what circumstances should the administrative corporations be transformed into corporations that function as enterprises? Generally speaking, attention should be paid to the following questions:

1. Corporations should be established on condition that better economic results can be attained. They should be able to improve their own economic results and be able to benefit all their member units. This is the most basic and most important condition for the establishment of corporations.
2. The membership of the corporations does not necessarily include all the enterprises in the same industries or the same regions. This prevents monopolization. The number of national and regional corporations should not be too large. The major economic entities under the corporations should be the enterprises. In order to better develop the horizontal economic ties among the enterprises, it is necessary to organize and combine the enterprises on the basis of their need for assistance from one another and with the enterprises themselves as the bases and the cities as the centers.
3. Normally, the corporations should not be too "rigidly" controlled after their establishment. We should not require all the economic activities of the enterprises to be subject to centralized management and unified accounting. Nor should we centralize all the power of the enterprises, particularly the power of the large enterprises, into our own hands. We should, according to circumstances, suit measures to operations and management should be characterized by both centralization and decentralization. With the exception of large-scale operations, which should be undertaken by the corporations, ordinary economic operations should be undertaken by the enterprises independently.

4. The establishment of corporations should be based on the needs of the development of the national economy and on the enterprises' need for assistance from one another. Enterprises are free to join the corporations and they are allowed to withdraw in accordance with the terms of their agreements. The corporations can be loosely or tightly organized. It is necessary to comprehensively probe, experiment with, and organize various forms of integrated economic bodies which are suited to different industries, different types of enterprises, and different types of economic activities.

In conclusion, whether the government departments are to make administration simpler and more decentralized or to establish corporations, the basic objective is always to revitalize the enterprises and to add to the vitality with which individual enterprises operate. Thus, it is necessary to adhere to the principle of separating government from enterprise functions in order to strictly distinguish the necessary organization and supervision of social and economic activities by government departments from production in and the management of the enterprises. In future, the guidance for and the supervision of the economic affairs in a certain trade or industry should still fall under the responsibility of the government departments. However, if necessary, guilds which act as coordinators can be established. The corporations should be responsible only for the production in and the management of their enterprises. Generally speaking, they should not be empowered to direct whole industries. Otherwise, there will be another form of the confusion of government and enterprise functions.

II. Give Full Play to the Role of Cities in Organizing the Economy

China is a socialist state with a vast territory and many enterprises. Objectively, an intermediate level is needed in the state's organization and management of the economy. Economic information feedback can easily be handicapped by the absence of an intermediate level. In addition, as a result of the absence of an intermediate level, the state will be "too remote" to manage and guide the enterprises. Consequently, the state cannot organize various economic activities according to circumstances and economic development will be affected. For many years the departments and localities have acted as an intermediate level. The result is that where the enterprises were managed by the departments, the indispensable economic ties among the departments and between the departments and the localities were cut off, and where the enterprises were managed by the localities, the indispensable economic ties among the localities and between the localities and the department were also cut off. The result has been far from satisfactory.

In his report to the Fifth Session of the Fifth NPC, Premier Zhao Ziyang unambiguously put forward the correct principle that in our economic management, "it is necessary to give scope to the role of the cities, particularly that of big and medium-sized cities, in organizing economic activities." The majority of our enterprises are in the cities. Thus, in giving scope to the role of the cities in organizing economic activities, we have the advantage of geographical proximity to the enterprises. What is even more important is that the cities differ from the departments in that

they generally have a rather solid foundation in terms of fixed assets in the areas of industry, commerce, building construction industry, transportation, science, and technology. In addition, they are already economically developed integrated bodies. The cities are also different from ordinary localities in that they are centers of production, circulation, transportation, and financial activities formed in history. They are already playing the role of economic centers within certain limits. In developing production and carrying out construction, they cannot provide themselves with enough energy resources, raw and processed materials, and daily necessities. In addition, they cannot consume all the products they produce. Thus, unlike other localities, they would not easily form barriers. That means, the cities are objectively superior to various localities and departments in being relied on as an intermediate level in economic management. By rationally giving play to the role of the cities, we can have the advantage of state organization of economic activities. In addition, we can also resolve the contradictions resulting from the separation of departments and regions at different levels, strengthen the horizontal economic ties between the enterprises, and build open economic zones and networks with the cities as the centers which differ in size and characteristics in order to give a push to the rational development of our economy.

From the pilot projects on the comprehensive reform of the economic structures launched in Chongqing, Changzhou, and Shashi in the past 2 years, we can see that the results of giving play to the role of the cities in organizing economic activities have been quite satisfactory. The duration of the pilot projects launched in these cities was quite short. However, these cities had accumulated much successful experience in organizing coordination between specialized enterprises, reorganizing and combining the enterprises, establishing open trade centers, building goods and materials shopping arcades which resemble department stores, organizing the locally centralized supply of goods and materials to the enterprises, building residential complexes, applying the system of contracted responsibilities for completion of building construction work at fixed labor cost, developing various forms of scientific research and education, and forming production combines. The government organs had made a good start in organizing and supervising the enterprises' economic activities mainly by economic means. All these practices have been successively popularized in several dozen cities of the country since the beginning of this year.

In the course of reform, in order to properly give full play to the role of the cities as an intermediate level in state organization and supervision of economic activities, it is necessary to handle well the relations in the following two areas.

First, it is necessary to handle well the relations between giving play to the economic functions of the cities and the functions of city governments in managing the economies. By the economic functions of the cities, is principally meant the ability of the cities, as the economic centers within certain regions, to give impetus to economic development, and by the functions of the city governments in managing the economies, is meant the necessary administrative functions which should be performed by the cities

as government organs at a certain level in organizing and supervising economic activities. We emphasize the need to give play to the role of the cities chiefly because we want to give play to the role of the cities in performing such economic functions as being economic, information, science and technology, education, and service centers and to the role of the city government departments concerned, which are established on the basis of the cities' role, in organizing, guiding, and coordinating economic activities. We do not emphasize the role of the city governments in the administrative management of the enterprises. As far as the administrative functions of the city government departments are concerned, they should, like the central departments and other ordinary local governments, adhere to the principle of simpler and decentralized administration and resolutely delegate the power of operation and production, which should go to the enterprises, to the enterprises. City governments should concentrate on urban planning; building public facilities; protecting the environment; comprehensively improving social order; guiding the specialized cooperation of enterprises, their reorganization, association, and technical transformation and the modernization of their management and operation; organizing and promoting a rational circulation of materials and commodities; and improving cultural, educational, public health, and social welfare work and various services. We should strengthen the cities' role in providing various services and create better conditions for the development of the enterprises. We must definitely not repeat the past practice of relying on administrative means and directly controlling the manpower and financial and material resources of the enterprises and their production, supply, and marketing. Otherwise, we will suppress the vitality of the enterprises and create new barriers.

Second, it is necessary to handle well the relations between the rights and obligations of the city governments and those of the enterprises. It is unambiguously pointed out in the "Decision" that: "From now on government departments at various levels will, in principle, not manage or operate enterprises directly." The government departments mentioned here refer to central and local government departments at various levels as well as to the city government departments. Thus, it should be clear that in the future, the relationship between the city governments and the enterprises, including the relationship between the city governments on one hand and the enterprises previously subordinate to the central departments, provinces (autonomous regions), prefectural administrative offices, and cities on the other, should not be an administratively subordinative relationship in the traditional sense of the term. The main relationship between them should be that the enterprises register in the cities in which they are located. In the future, the enterprises' direct obligation toward city governments will mainly be to comply with the relevant policies and regulations promulgated by the state, to pay taxes, and to fulfill the tasks assigned by the state. The city governments will exercise direct leadership over the enterprises mainly by formulating and promulgating, within the limits prescribed by the constitution, administrative regulations and policies in accordance with the circumstances of the cities, collecting taxes according to the laws, appointing the major leading cadres of the enterprises, approving their assignment, relaying to the enterprises the tasks assigned by the state, and inspecting how well the enterprises implement policies and fulfill mandatory plans.

That means, the rights and obligations of the city governments and the enterprises should also be well defined and the city governments and the enterprises should resolutely mind their own business. If, in the course of the reform, we merely hand over the enterprises which were subordinate to the central departments, provinces (autonomous regions), or prefectural administrative offices to the cities without changing the city government departments' function of directly operating and managing enterprises, we are only substituting the management by some departments or regions for the management by other departments or regions or the management by smaller departments or regions for the management by larger departments or regions and there will be the danger of making the reform merely the subordination of the enterprises to some other administrative organs. In that way, we cannot eliminate the malpractices of the confusion of government and enterprise functions and of the division between departments and regions at various levels. In addition, we cannot attain the goal of revitalizing the economy and the enterprises, giving full play to the role of the cities as regional centers, giving impetus to the rational development of the economy, and improving social and economic results.

III. Gradually Establish the Correct Relationship Between the Governments as Servants and the Enterprises as the Served

In principle, in separating government from enterprise functions and in making administration simpler and decentralized, government departments at various levels do not directly operate or manage enterprises. However, will the relationship between leaders and the led continue to exist between the state and the enterprises? Generally speaking, since a socialist state performs the function of organizing and directing economic construction, its relationship with the enterprises is naturally that between leaders and the led. The state's planning departments are empowered to lay down the mandatory plans to be fulfilled by the enterprises; the departments in charge of various industries and trades are empowered to coordinate the enterprises' development plans; the industrial and commercial administrative departments are empowered to approve the registration of enterprises; the taxation departments are empowered to collect taxes from the enterprises; the finance departments are empowered to supervise the enterprises' financial systems; the judicial departments are empowered to hear, try, and arbitrate economic cases involving the enterprises; the departments in charge of standardization and metrology and the patent departments are empowered to inspect how well the enterprises comply with the regulations governing metrology, standardization, and patent rights; and so on. These are the specific ways in which government departments at various levels exercise leadership and perform the function of managing the economy. However, the past relationship between government departments and the enterprises, which permitted the former to lead and manage the latter by purely administrative means, should definitely cease to exist. If this backward relationship of the past, which was characterized by direct leadership and management, continues to exist, the enterprises will certainly be deprived of their vitality and the enterprises and the workers will be unable to give full play to their enthusiasm and creativeness.

In a socialist society, the government organs perform the function of organizing and directing economic construction in two ways: First, they perform the functions of providing general administrative leadership, coordinating planning, providing guidance, and playing a supervisory role. Second, they perform the function of serving the enterprises and the grassroots units. They perform this function by providing information and consultative services, organizing the development of technologies, training gifted people, facilitating the development of horizontal economic ties, and satisfactorily serving production and people's livelihood in order to free the enterprises from worries when the enterprises are preoccupied with their operations and the development of production. According to the basic tenets of Marxism, government organs constitute the superstructure. A superstructure must serve the economic basis and the development of productive forces. The question of how to perform well the latter function is a very important one. Practice has demonstrated that if government organs perform only the former function but not the latter as well, they will necessarily manage enterprises by using administrative means and administrative power exclusively, or even indiscriminately. In this way, the socialist state cannot correctly perform the function of organizing and directing economic construction. In addition, this may lead to a series of negative consequences that run counter to the objective economic laws. Thus, it has been unambiguously stipulated in the "Decision" that: "We must end the long-standing practice of leading organs making enterprises and units completely dependent on them, instead of serving the enterprises and other grassroots units, and eliminate such bureaucratic maladies as organizational overlapping, overstaffing, vague delimitation of functions, and endless wrangling. The leading organs at various levels will thus be able to orient their work toward promoting production, serving the enterprises and other grassroots units, and helping build a strong and prosperous country, and bring prosperity and happiness to the people." This reform is a profound transformation of our socialist superstructure as well as an immensely significant remolding of our guiding ideology and the styles of the organs. We must unswervingly carry it out.

Some comrades are afraid that since in the future, government departments at various levels will, in principle, mainly serve the enterprises but no longer directly manage or operate them, the socialist state's function of organizing and managing the economy might be weakened. This would be unlikely. The reason is that if we take a look at the overall situation, we will find that such important decisions as those on the policies and principles to be adopted, the strategic objectives and priorities of our economic development, the overall balance of the national economy, the balance of the important ratios in the national economy, and the application of important economic and legal means are subject to the state's effective administration and supervision. The economic activities of the enterprises concerned are mainly carried out under the guidance of certain plans and policies and a series of basic laws of the state. Thus, by saying that the government departments at various levels will in principle no longer direct or manage the enterprises, we mean that government departments will give up the management of the microeconomic activities of some enterprises in order to be responsible for overall economic management and the management of

macroeconomic activities of various industries and trades. In other words, they will no longer attend to minor issues. They will attend to more important issues. If we take the management and organization of the whole economy into consideration, we will find that government departments at various levels will bear heavier, not easier, responsibilities. Thus, there is the need to improve leadership and management methods accordingly. At present, government departments at various levels are not properly, or satisfactorily, directing the work that should be directed by them. However, they devote great efforts to directing the economic activities of the enterprises which should not be directed by them. This has encouraged bureaucracy and led to a waste of many things. In the future, government departments at various levels will not directly manage or operate enterprises. This helps us meet the requirements of the macroeconomy as a whole and helps the enterprises to give full play to their vitality in independent operation. In this way, the units responsible for macroeconomic management, the units responsible for microeconomic management, and the intermediate level can perform their functions and find their own places, we can completely remove the barriers between departments and regions at various levels, and state organization and direction of economic construction can really produce good results under socialist conditions.

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DO A GOOD JOB IN REFORM TO EFFECT A NEW TURN IN FINANCIAL WORK

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[Article by Zuo Chuntai [1563 2504 0669] and Li Yanling [2621 1693 7881]; passages within slantlines published in boldface]

[Text] The financial departments are comprehensive departments within the national economy that have close ties with various departments, enterprises, and units. Whether or not financial work is properly carried out has a direct bearing on the implementation of the urban and rural economic reforms and the work of invigorating enterprises. It also directly affects the planned and balanced development of the national economy and the improvement of the people's livelihood. Under the new situation where a decision has been made by the Central Committee to restructure the whole economy, the current central task in financial work is to conscientiously implement this decision, further reform the financial system in a well-led and systematic way, and better pave the way for and serve the new situation of vigorous development.

There is much to be done in the many-sided financial reforms. We may say that practically every economic reform is related to financial reform. As far as the guiding ideology is concerned, the principal task at present is to gradually put an end to old habits and practices in accordance with the extent to which subjective and objective conditions have ripened, rectify our guiding ideology in vocational work, and effect a new turn in financial work. Of course, as dialectical materialists and historical materialists, we must follow the development of the situation and pay attention to solving new problems under new conditions. We must not consider questions apart from their historical context and simplistically negate everything of the past. Some of these old habits and practices accorded with the situation in the past but can no longer meet present needs; some were inappropriate even in the past. They were manifested mainly in the following aspects: The practices of unified state allocations and unified collection of receipts, excessive and rigid control, and "everybody eating from the same big pot"; the traditional influence and methods of egalitarianism, "seeking uniformity," and having everything managed by the state; some measures of locking our doors against the world under the influence of "leftist" ideas of the past; the practice of stressing receipts and payments at the expense of results and emphasizing administrative means and

belittling economic ones, and so on. These outmoded habits and practices can no longer meet the needs of economic development under new conditions and cannot fully bring into play the enthusiasm of all quarters. Thus, they fetter the growth of the forces of production to some extent. In recent years, a series of reforms have been carried out on the financial structure, the system of enterprise finance management, the system of taxation, the system of accounting, the management of capital construction funds and administrative expenses, and so on. As a result, some of these old habits and practices and traditional ideas have been gradually broken down and abandoned. For example, the situation of unified collection of receipts has been done away with. In 1983, extra-budgetary funds amounted to 79.9 percent of the state's budgetary funds. But, on the whole, the reforms could not keep pace with the development of the situation. Thus, we must, on the basis of thoroughly studying the CPC Central Committee's decision on the reform of the economic structure, further emancipate our minds, raise our level of understanding, and gradually put an end to old habits and practices in accordance with the extent to which subjective and objective conditions have ripened.

In restructuring the financial system, /the first thing we must do is correctly handle the relationship between the state and the enterprises/. Socialist enterprises directly undertake modernized production, construction, and commodity circulation. They are the dominant forces behind the development of social productivity and economic and technological progress. As far as the overall economic situation and the realization of the objectives put forward by the 12th CPC National Congress are concerned, this is a key issue. Thus, invigorating enterprises is the key to restructuring the national economy. In order to invigorate enterprises, we must further extend the decisionmaking power of enterprises and duly separate ownership from operating power so that enterprises can become relatively independent economic entities that operate independently and are responsible for their own profits and losses. The second step of the reform to replace profit delivery with taxes tried out at present in state-owned enterprises is an important move toward this goal. In the second step of this reform, criteria for the classification of small enterprises have been relaxed, progressive tax rates have been adjusted, and the eligibility floor of progressive tax has been appropriately raised. This alleviation of tax burden has created the necessary conditions for invigorating the small enterprises. Toward large and medium-sized enterprises, the policy of reducing regulatory taxes has been relaxed and linked ratios have been changed to fixed ratios. Instead of a reduction of 60 percent, the regulatory tax is now reduced by 70 percent and, once the rate is fixed, it will remain unchanged for 7 years. In this way, the better an enterprise is managed during the 7-year period, the more profits it can retain; the longer the duration, the greater the stamina. This is an exceedingly important policy. State revenue is just like a cup of water. In the past when the system of profit retention and other reforms were implemented, our attention was often fixed on how this cup of water was to be divided between the state and various enterprises. If more water was poured into the enterprises, there would be very little water for the state, and vice versa. Haggling over bases and ratios could not solve the problem either. The present method

is to leave the cup of water untouched. This way the state will not get less, and enterprises do not have to retain less. The key is to encourage the enterprises to create another cup of water. With this additional cup of water, enterprises may retain more in accordance with the above-mentioned method of tax reduction. The better an enterprise is managed, the greater its benefits. This will give our large and medium-sized enterprises greater vigor and vitality. We must recognize the significance of the second step of the reform to replace profit delivery by taxes presently under way from the overall perspective of the economic reform, and properly carry out this reform. Of course, this second step of the replacement of profit delivery by taxes is still not perfect and, with the reform of the planning system, pricing system, and so on, the system of taxation will be made more perfect.

In restructuring the financial system, /we must also properly handle the relationship between the central and local authorities/. Since the 3d Plenary Session of the 11th CPC Central Committee, we have been practicing a financial system of "apportioning revenues and expenditures between the central and local authorities, while holding the latter responsible for their own profits and losses," that is, "each eating from his own pot." The financial power of the local authorities has been extended under the premise of upholding centralized and unified control. This reform has played an important role in arousing the enthusiasm of the local authorities for increasing revenues and cutting expenditures, overcoming financial difficulties, and gradually bringing about a turn for the better in the financial situation. The direction of this reform is correct and good results have been achieved. However, due to various reasons, some problems have cropped up in the course of implementing the system. For example, although the practice of unified collection of receipts has been abandoned, that of unified state allocation has not been completely dispensed with. The apportioning of revenues on the basis of the subordinate relationships of enterprises has, to some degree, encouraged the growth of barriers between different departments or regions. The central financial department is still facing great difficulties because its revenues account for a relatively small proportion of state revenues. Thus, we need to further improve and perfect the reform on the basis of firmly keeping to the former direction. In light of the new situation of the replacement of profit delivery by taxes and the reform of the planning system, we must gradually replace the method of apportioning revenues on the basis of the subordinate relationships of enterprises with the apportioning of revenues on the basis of tax types, and duly increase the proportion to be apportioned to the central financial department. Meanwhile, in line with the direction of dividing the functions of the government from those of enterprises and taking cities as the basis, we must strengthen and promote urban financial reform and development. A small number of cities like Chongqing, Wuhan, Shenyang, and Dalian have been granted provincial-level power of management by the State Council and can have their own separate plans and budgets. Various provinces and autonomous regions should also suitably extend the financial power and increase the financial strength of cities on the merits of each case. Moreover, in order to meet the needs of the rural economy and the development of small townships, we must also gradually establish a township-level financial system through conducting experiments at selected points so as to fully bring into play the role of townships in the development of the rural economy.

In the restructuring of the financial system, /the correct handling of the relationship between the financial departments and other departments is an important and complicated issue/. This is because every financial reform will, to varying degrees, touch on the power and interests of some departments and the reforms of other departments often involve changes in financial distribution. These departments will either ask the financial departments to concede some of their power and interests by collecting less revenues, or they will want to increase expenditures and have more financial resources at their own disposal. From the long-term point of view, doing a good job of reform of various systems is conducive to arousing everyone's enthusiasm and promoting the implementation of various forms of the responsibility system. "Many people sharing the heavy burden" will ultimately prove beneficial to increasing revenue, cutting expenditures, and reducing waste. This is the manifestation of the party's mass line in financial management. Financial departments should welcome and energetically support reforms of various systems. However, at the initial stage of various reforms, there are bound to be financial losses. This is where the question of financial capability comes in. We must proceed from reality and act within our capability. In short, financial and other reforms must support each other and must be well-coordinated. If the task is within our capability, we must do our best to accomplish it; if it is something urgent, we must accord top priority to it. Through overall arrangements made after taking everything into consideration, we should make financial and other reforms promote and complement each other.

In the restructuring of the financial system, we must /not only boldly allow flexibility on minor issues but must painstakingly exercise effective control on major ones through maintaining overall balance so as to ensure a more or less balanced and coordinated development of the national economy/. A central leading comrade recently pointed out: In making arrangements for financial plans, we must not only think of central revenues but must think of the financial resources of the whole society, including the financial resources of the central and local authorities, of enterprises, of the people, as well as the use of foreign funds. This gives the restructuring of the financial system the important task of studying and using the total financial resources of the whole society and strengthening overall balance so as to guarantee the funds needed for the four modernizations. In recent years, extra-budgetary funds have been growing at a very fast rate. In 1983, they totaled 100 billion yuan. Bank credit funds also have been growing at an annual rate of more than 30 billion yuan. Foreign loans amounted to several billion yuan a year. The financial resources of peasants and their investments in the form of labor also amounted to a substantial figure. Under such circumstances, comprehensive financial planning by the state is imperative. Through the compilation of a comprehensive financial plan, we have to calculate the total financial resources of society, make overall arrangements and maintain overall balance. Due to differences in the nature and use of various funds, the methods of managing these funds cannot be the same. The state's budgetary funds should be subject to planned arrangements and management. Extra-budgetary funds and the financial resources of society can only be subject to rough and flexible requirements and plans of a guidance nature. Through diversified means such as economic

information, economic levers, and economic legislation, these funds can be guided to where they are most needed in the modernization program. This is a good method for mobilizing the forces of all quarters in the whole country to develop the grand cause of socialism. In addition, we must also properly handle the balance of finances, credits, goods and materials, and foreign exchange so that they can be coordinated with one another, supplement each other, and balance each other. This requires that financial departments and comrades engaged in financial work must proceed from the interests of the whole situation, analyze and study the changing developments of, and the laws governing, the movement of funds and goods and materials in the whole society, emancipate their minds, seek truth from facts, continue to explore and accumulate experience, and raise the level of the work of striking an overall financial balance.

In order to make financial work better pave the way for and serve the new situation of vigorous development, /financial departments at all levels must effect a change in ideology, work style, and methods of work/. Overcoming the tendency of managing finance for finance's sake and turning financial departments into state management departments is not only the direction of reform for financial departments, but is the objective requirement of the present economic situation. Financial departments are responsible for managing state budgetary funds, but they must not merely function as a bills collection and payment department. They should, through managing monetary affairs and devising strategies, contribute their share toward making the country prosperous and strong, and continuously improving the people's livelihood. Wang Anshi [3769 1344 4258], a reformer of the Song Dynasty, once said: "If we do nothing other than study the classics, we will not be able to gain a full understanding of the classics." This remark sounds remarkably similar to a saying of the poet Lu You [7120 3266]: "If you really want to study poetry, you must spend your time in pursuits outside poetry." Both show insight and conform with dialectics. The same holds true for financial work. In addition to having a good command of financial knowledge, we must also be familiar with bank credit and monetary circulation; study production, construction, and the circulation of commodities; show concern for scientific education and technological advancement; and know a little about foreign trade, foreign exchange, pricing, and so on. Experience over the past years proves that only by spending our time in pursuits outside financial matters can we truly do a good job in financial work, and it will not work if we get ourselves bogged down in revenues and expenditures. This is also the method of monetary management, which includes ways to make money, gather money and use money, suggested by Comrade Zhao Ziyang. In monetary management, making money constitutes the basis and determines the scale and level of raising and using money. While raising money is aimed at application, we must see if it is conducive to making money. We must take into account the interests of the state, the collective, and the individual, and correctly handle the relationship between accumulation and consumption. We must use money with a view to making more with less investment so that we can make even more money in the future. The appropriate use of money referred to here is the same as Comrade Chen Yun's suggestion that we properly resolve questions concerning the use of funds, whether they should be used sooner or later, in large amounts or small, first

or last, or whether they should be deferred or withheld. The key lies in stressing economic results and correctly handling the relationship between immediate and long-term interests. Summing up past experience and lessons, we should, for some time to come, stress investing in technical transformation, reconstruction, and extension of existing enterprises and industrial bases, fully tap the potentials of existing enterprises, and increase production capacity. In this way, we can produce good results quickly and make big gains by spending little money. Interest payments also will not amount to much because this can be accomplished within a fairly short time. In addition, in grasping and applying the method of monetary management, we must also pay attention to fully bringing into play the role of state credit in the financial field. This is a new task for finance put forward by the development of the economic situation. In revenues, treasury bonds issued by the state and foreign loans borrowed by the state are ways of using state credit in gathering money. In expenditures, the setting up of agricultural support working funds that make use of the principle of compensation for the use of funds by some local financial departments is a way of making use of state credit in the use of money. Within given scopes, compensation for the use of funds owned by financial departments is very conducive to strengthening funds management, speeding up the turnover of funds, and improving the results of the use of funds. We must continuously sum up experience and gradually perfect this method.

In the process of restructuring the financial system, we must /uphold the principle of combining flexibility with strict control in accordance with the requirements of materialist dialectics/. Some comrades think that reform means "freeing ourselves from bondage" or flexibility. This understanding is one-sided. Financial reform calls for flexibility, but it also calls for strict control. Different measures are to be adopted in different situations. As the old saying goes, "There is no flow without blockages, and no movement without halts." In any reform, there are bound to be aspects that it aims to promote and encourage, as well as aspects that it seeks to restrain and restrict. There is movement as well as halts. In financial work, receipts and expenditures, taking and giving, relaxation and control, centralization and decentralization, service and supervision, and so on, are contradictory pairs of phenomena embodying the unity of dialectics. One aspect cannot exist without the other. In the past, deviations occurred in our actual work chiefly because we rushed headlong into action and "sought uniformity." In terms of the methods of work, it was because we often interpreted the principles and policies of the Central Committee in a one-sided and metaphysical way. The late Comrade Sun Yefang, a noted economist, said in one of his articles that "in order to understand economics, we must learn some philosophy." This is quite correct. Thus, in studying the Central Committee decision on the reform of the economic structure, we must learn to ponder problems in a dialectical way, seek truth from facts, proceed from reality in everything, and strive to be flexible when flexibility is warranted and strict when strictness is called for by combining flexibility with strictness and doing whatever is appropriate. At the same time, we must not regard the yardstick for flexibility and strictness as unalterable, and must make prompt readjustments in light of actual conditions and policy requirements.

ASSIGN THE RIGHT JOB TO THE RIGHT MAN

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 10

[Article by Zhe Lei [1772 7191] and Lei Bin [7191 2430] from Harbin city journal ON THE STUDY OF THEORY, Issue 10, 1984]

[Text] We recently saw a cartoon in which a senior officer is holding an arrow-shaped token of authority that was used in the army in ancient China and mutters: "Old Guan [Guan Yu is a character in the "Romance of the Three Kingdoms" who is good at using a broadsword], you brandish a long spear; little Zhang [Zhang Fei is a character in the "Romance of the Three Kingdoms" who is good at using a long spear], you flourish a big sword." Thus, Guan Yu holds the long spear and cannot find a way out, while Zhang Fei carries the sword and is crestfallen.

Is this forcing people to do what they cannot do when Guan Yu uses a spear and Zhang Fei a sword? This cartoon uses the past to disparage the present; it speaks to the point about many of our actual practices. Here we only give three examples: An intellectual was originally specialized in designing products, but he was assigned a leadership post in a department of processing products and transforming the equipment and installations; another intellectual who was specialized in heat treatment technology was unexpectedly appointed as a production director of the cold works workshop; there are also leading organizations which transfer a number of intellectuals who had been engaged in the natural sciences to responsible posts in social science departments. Is there any difference between such arrangements and the practice of making Guan Yu hold a spear and Zhang Fei flourish a sword?

There is only a small number of intellectuals in our country, while the four modernizations drive demands a large number of intellectuals. The talented people whom the state has taken great pains to train fail to bring their special skills or knowledge into play. This not only wastes their special skills and knowledge, but also causes the losses for the state. Originally, they were experts in their own specialized fields, but because of being assigned to jobs in other specialized fields, they have become outsiders. This will not only make us unable to do our work satisfactorily, but will also give rise to difficulties in our work and cause losses for the state.

This raises a question for us. We should not merely appoint our intellectuals to leading posts. It is imperative for us to adopt appropriate measures in order to bring each person's special skills or knowledge into play. In implementing our policies on intellectuals, we should not regard the work as finished as soon as we simply and wantonly appoint some intellectuals to leading posts. The practice of making Guan Yu brandish a spear and of making Zhang Fei flourish a sword is harmful and unprofitable, and it should be abolished.

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A MAGNIFICENT SONG OF THE TRIUMPH OF COLLECTIVE HEROISM

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 11-15

[Article by Zhang Zhixiu [1728 9455 4423] and Xie Zhenhua [6200 2182 5478]; passages within slantlines published in boldface]

[Text] In an effort to safeguard the territorial integrity of the motherland, to ensure the tranquility of the border area, and to defend the four modernizations program, our frontier troops in Yunnan launched a fairly large-scale and protracted counteroffensive in self-defense in the Laoshan and Zheyinshan area. In the course of this operation, the vast numbers of our commanders and fighters carried forward the fine traditions of our army. Fighting bravely and tenaciously, fearing no sacrifice, advancing wave upon wave, and waging successive battles, they captured enemy strongholds, recovered the motherland's territory, smashed the frenzied counterattacks of the enemy on many occasions, solidly held their positions, and thus punctured the arrogance of the Vietnamese regional hegemonists. The victory we gained in this operation represents a magnificent song of the triumph of collective heroism.

Laoshan and Zheyinshan are two important border areas between Malipo County in Yunnan Province and Ha Tuyen Province in Vietnam. After occupying our Laoshan and Zheyinshan areas in 1979, the Vietnamese authorities built, on top of several dozen big and small hills, fortifications with reinforced pillboxes, tunnels, and shelters as the main body. From these strong defensive positions they were able to launch attacks, to hide themselves, or to dig themselves in for a long time. Taking advantage of the terrain, strategically located and difficult to access, and the strong defensive works and using the weapons supplied by the Soviet hegemonists, the Vietnamese troops, swollen with arrogance, constantly fired at our people in the border region with artillery and rifles. Driven beyond the limits of forbearance, our frontier guards in Yunnan resolutely launched a counter-attack in self-defense.

In modern warfare, the development of weaponry determines changes in the patterns of war and plays an important role in achieving victory in war. However, in building a powerful people's army with Chinese characteristics, it is insufficient to rely on the modernization of weaponry alone. It is also necessary to strengthen ideological revolutionization. Collective

heroism plays an important part in the revolutionization of our army. An army unit can give scope to the might of weapons in different ways, depending on whether or not it has the spirit of collective heroism. On this occasion both sides fought with composite troops. The enemy put to use its picked troops and best weapons and employed all possible means in mountain and forest warfare. The intensity and ruthlessness of the battle far surpassed those of the past. This operation has forcefully proven that, with the use of modern weapons, fighting becomes more intense, complicated, and ruthless and this makes it all the more necessary to carry forward the spirit of collective heroism.

/Being brave in sacrificing one's life for the motherland and the people is a salient feature of the spirit of collective heroism in this operation./ The vast numbers of commanders and fighters profoundly realize that we cannot avoid shedding blood or making sacrifices in war and that we cannot achieve victory in a battle without paying a certain price. For this reason, they were prepared to lay down their lives and asked to be given the most difficult tasks. At a critical moment when our troops were charging the enemy, the fuses had run out, and the minefield had not been cleared, our fighters, in an effort to reduce casualties, dashed through the minefield regardless of their own safety, thus clearing the way ahead for the troops with their flesh and blood. Although wounded in the stomach, a machine gunner continued to crawl forward in spite of the acute pain and, after setting up the machinegun, opened fire in order to provide cover for the attacking troops. Even when he died a glorious death, he still clasped his machinegun tightly and kept his firing position. When our telephone line was broken by enemy artillery fire, a signalman, who had been seriously wounded in the head, crawled forward 7-8 meters with great difficulty in an attempt to ensure the continuous flow of operational commands. Having found the broken ends, he put the line together. He died gripping the two ends of the line with a pair of tongs. Assaulted by dozens of enemy soldiers, a fighter fearlessly met the approaching enemy head-on, killing 21 of them. When his ammunition ran out and the enemy were closing in on him, he exploded the last grenade and perished together with the enemy. After our troops recovered the Laoshan area and before we had time to gain a firm foothold, the Vietnamese troops launched dozens of big and small offensives, but all of them ended in failure. On 12 July, in particular, supported by 15 artillery battalions, the Vietnamese troops used 6-7 regiments in a large-scale offensive against our forward positions in the Laoshan area. With the determination to never lose an inch of our territory, the vast numbers of commanders and fighters held fast to the forward positions and fought for 13 hours with an enemy several and even a dozen times our number. We held out against the wanton and indiscriminate shelling of the Vietnamese troops and beat back their repeated attacks. Leaving behind a large number of corpses in front of our positions, the enemy fled helter-skelter. This fully demonstrated the might of our commanders and fighters, who carried forward the spirit of collective heroism in defending the sacred territory of the motherland.

/Resolutely executing orders, taking concerted action on one's own initiative, and working in a coordinated manner constitute another salient feature

of collective heroism in this operation./ Modern antiaggressive warfare calls for a high degree of united action on the part of the various arms and services of the army under a united command and the display of the might of the overall operation. If we fail to coordinate our actions and to take concerted action on our own initiative, we shall bungle the chance of winning a battle and even land ourselves in a negative position. In an effort to fight in a coordinated manner in this operation, the various arms and services and the various troops fostered a high concept of viewing the situation as a whole, consciously observed discipline, and resolutely executed orders. They opened fire, ceased firing, launched attacks, or held fast to their positions strictly according to orders. Ever victorious, our army units in charge of assaulting strong defensive installations fulfilled their combat tasks within the stipulated time. Braving wind and rain and breaking through brambles and thorns, our deep-thrust units arrived at the predetermined positions on schedule to cut off the enemy's retreat. Having overcome numerous difficulties caused by bad weather, our air units remarkably fulfilled the various tasks, such as carrying out combat patrols and transporting wounded personnel and materials, in perfect coordination with the operations of the ground forces. By overcoming the difficulties, caused by the natural conditions, to observation, command, and shooting, our artillery units fired at the designated targets and, with rapid and intense artillery fire, killed or wounded a large number of enemy soldiers, thus giving effective support to the infantry in its combat. Our engineer corps actively paved the way to victory by cutting paths through mountains, building bridges across rivers, and removing mines and other obstacles. By surmounting one difficulty after another and removing various obstacles, our telecommunications detachments ensured the flow of communications and operation commands. Our antichemical warfare detachments coordinated with the infantry in destroying enemy firing points and wiping out the remnants of the enemy forces with raging flames so that the enemy had no place to hide themselves. Under the guidance of the idea of "everything for the front and everything for victory," our rear service units, carrying forward the unyielding spirit of bearing great hardships and standing hard work, succeeded in building a transportation line in the topical mountains and forests, which neither the high mountains could stop nor the artillery shells could destroy, and made sure that the combat units did not lack ammunition, the personnel did not lack food, and the vehicles did not lack gas, thus playing an important role in achieving victory. Every shell hitting the target was the embodiment of the collective wisdom and strength of the artillery units. The 8th company of an artillery regiment, which had carried out 16 items of technological reform before the operation, hit the 20-odd enemy targets with the first shot. On 2 April, in coordination with the 7th company, the 8th company succeeded in wiping out an 85-mm cannon battalion and Vietnamese ammunition depot in only 11 minutes. Having discovered the target, the commanders, calculators, and signalmen of the observation post of the 2d company, braving enemy fire, observed it for 96 days and nights from a precipitous hilltop and then swiftly and accurately reported the positions of more than 100 targets to the higher level.

The situation on the battlefield is so complicated and changeable that it is impossible to stick to a predetermined battle plan. During this operation

there were many instances in which the second echelon became the first and the holding element became the main attack force. Some companies, which had made so much headway they succeeded in rushing to the heights in a few minutes, were assigned more combat tasks. After capturing several heights in a row and fulfilling their designated tasks, a certain company lost no time in requesting more tasks on their own initiative. Like a steel dagger stuck into the enemy's heart, they destroyed an enemy battalion command post and thus created favorable conditions for other fraternal companies to wipe out the enemy one by one. The display of this subjective activity accounted for the flexible and brilliant battles we fought in the operation. It was also a concrete embodiment of collective heroism.

/Depending on each other for survival and carrying out a united struggle constitute a concentrated expression of collective heroism in the internal relationships of army units./ During this operation, the more difficult the circumstances and the more ruthless the battle, the higher the spirit of fraternal unity among the commanders and fighters. The officers and soldiers, as well as the fraternal units, cared for and loved each other and, at crucial moments, offered the hope of survival to others and reserved the danger of death for themselves. When the enemy attacked with artillery, some fighters shielded wounded cadres with their own bodies and some cadres threw themselves on top of the bodies of the fighters in an attempt to protect the latter. On the battlefield, many comrades did not hesitate to shed their blood or to sacrifice their lives to save their comrades-in-arms. In the battle to recapture Laoshan, four wounded soldiers belonging to different units lost contact with their companies. They organized themselves voluntarily and, each taking a hand grenade, were ready to perish together with the enemy. They showed concern and cared for each other. With four pieces of solid food and half a can of water, they crawled for 4 days and 3 nights in the forests before they succeeded in finding their units. There were also some wounded soldiers who refused to leave the front and who, after the troops rushed forward, automatically organized themselves and carried on the battle from within their positions. In the battle of Zheyinshan, three seriously wounded soldiers covered a slightly wounded soldier, who dashed into a covered trench to wipe out the remnants of the enemy. They succeeded in killing two enemy soldiers and capturing another.

/The slogan that "the honor should be attributed to the motherland and the credit belongs to the collective" is a most vivid reflection and manifestation of collective heroism./ On the battlefield, our commanders and fighters have the heroic spirit of vanquishing all enemies and overcoming all difficulties. But they do not vie with one another for the honor they have won. At a reception marking the 1 August Army Day, Comrade Yang Shangkun, vice chairman of the Central Military Commission, proposed a toast to Yang Guoyao, a combat hero and a representative of 15 brave fighters and said that they had fought magnificently and were worthy of the name of brave fighters. Yang Guoyao replied: The credit should be attributed to the martyrs who have laid down their lives for the motherland. This remark reflects the common sentiment of the vast numbers of commanders and fighters. During a meeting to enumerate people's merit in the operation, some cadres offered credit to the fighters, who in turn offered it to the wounded

soldiers, who in turn offered it to the martyrs. While leading the fighters of his squad to open up the way during a battle, a squad leader was wounded by a mine and, when he rolled down the slope, was again seriously wounded by other mines. All comrades unanimously asked the higher level to record his meritorious deeds and the leading organ submitted a report, requesting that he be given the title of "rolling mine hero." Learning of this, the squad leader made a correction on his own initiative. He said: "I did not roll over the mines. I lost my balance on account of my injured right leg and rolled down the slope, detonating two mines. It was recorded in the data that I had taken out five mines but, in fact, I took out only two. The other three mines were taken out by two comrades-in-arms, who died a heroic death. It is they who should be cited for meritorious deeds." What a noble ideological quality this is!

/The collective heroism of our army is based on a high level of patriotism and communist ideology and consciousness and is characterized by the overriding interests of the motherland and the people, the paramount duty of revolutionary soldiers, and the readiness to sacrifice our all for the motherland and the people./ This noble ideological quality represents the fine tradition of the Chinese nation, particularly the Chinese communists. Over the past thousands of years, our country has gone through innumerable domestic troubles and foreign invasions, brought forth a large number of national heroes who defied brute force and who would rather die than submit while defending the motherland. Their deeds still glow with dazzling glory today. Growing up in such a country, our cadres and fighters have received lively education in patriotism and collective heroism everywhere, at home and school and in society, and so they cherish, deep in their hearts, the idea of loving the party, the socialist motherland, and the people, and of revering heroes. After joining the ranks of the PLA with the lofty sentiments and aspirations of defending the motherland and the four modernizations program and after receiving systematic education in patriotism, communist ideology, elementary knowledge of the history of the Chinese revolution, the aims and glorious traditions of the People's Army, and the revolutionary outlook on life, and after taking part in the activities of building socialist spiritual civilization, they have quickly matured into revolutionary fighters with patriotic and communist ideas and conscientiousness. Particularly since the 3d Plenary Session of the 11th CPC Central Committee, our four modernizations program has been forging ahead and bringing about changes day after day. Our domestic situation is improving and our international prestige has been greatly enhanced. And this has aroused still further the patriotic zeal of the vast numbers of commanders and fighters to rejuvenate the Chinese nation and to defend the four modernizations. When the Vietnamese aggressors kindled the flames of war in our border area, the commanders and fighters were naturally filled with great indignation. They profoundly realized that "youth is splendid and life is valuable but there is nothing more noble, glorious, and valuable than dedicating our lives in the interests of the motherland and the people." In a letter to his family which had not been posted, Dai Youhong, a martyr, wrote the following paragraph: "As the defenders of our motherland, can we feel no qualms upon self-examination when we see the people shelled and strafed by the Vietnamese bandits? Can we stand it when we see the territory of our

motherland violated? Can we let down the motherland and the people? ...If I should die in action, you should neither be sad nor shed tears but should work hard and make our native place more beautiful and prosperous. As long as our country is rich and prosperous and the people live in happiness, the hearts of us the dead will be at rest." What a lofty realm of thought! It is precisely this ardent patriotic zeal and high sense of political responsibility that urged the commanders and fighters to disregard their own safety, to fight heroically, to safeguard the integrity of the motherland with their blood and lives, and to defend the socialist modernization program.

/The spirit of collective heroism of our army is closely integrated with the perfect mastery of combat skill./ Modern warfare has set higher demands on man's military quality. In the past we could learn fighting through war because there was only a single arm of the services and combat skills were fairly simple. But now, with the army's numerous arms and services and the complicated technology and tactics, we should undergo rigorous training before we can fight a good battle. In order to build up a large number of commanders capable of directing modern warfare and key combat personnel skilled in the use of weaponry, it is necessary to raise both our political and military quality. By perfectly mastering combat skills we can not only strengthen our confidence and courage in vanquishing the enemy but also bring into full play the subjective activity of man and the might of weaponry and reduce our casualties, thus gaining a great victory at a relatively low price. The victory our troops gained in this operation was due to the achievements attained in peacetime training, particularly in the training prior to the operation. In line with the principle of carrying out training according to actual combat, the various army units extensively mobilized personnel; practiced skills, tactics, command, and cooperation in light of the combat tasks; and carried out various training so that our fighters could be expert in one thing and good at many and could be employed in varying circumstances. In light of the enemy's situation and the topographical features, some units put forward scores of problems which they solved one by one by developing military democracy and drilling repeatedly. On the eve of launching the operation, the cadres and key members at all levels had formulated their best plans and made preparations for various contingencies so that they were able to grasp the enemy situations, the topographical features, the tasks, and the methods of fighting. After receiving temporary training before the operation, many new fighters who had joined the army only 3 months before were able to perfectly master all kinds of weapons. Many "top" soldiers in peacetime training gave a good account of themselves in the battles. The fighters who distinguished themselves in minesweeping in peacetime training dared to challenge the god of death. By safely removing several hundred mines of various types they opened the way for the assault units and removed obstacles within the positions of the defending units. Some crack shots opened fire so dexterously and caught their targets so quickly that they shot the enemy as soon as they popped their heads up. Fighting in the company of the infantry, quite a few "crack artillerymen" hit the target at every shot and thus effectively supported the infantry in the storming of heavily fortified positions. Thanks to their flexible tactics, many companies were able to greatly

reduce their casualties. In one instance, enemy troops adopted the tactics of hiding themselves in caves and opening artillery fire as soon as we captured a height. To counter this tactic, the 9th company of a certain regiment adopted the method of trailing closely behind the enemy so that the enemy's artillery fire fell behind our troops responsible for storming heavily fortified positions. In a defensive battle, the 4th company of a regiment summed up their experiences while fighting. By adopting various tactics, such as changing tactics according to the changes in the enemy situation, integrating feints with ambushes, and alternating genuine with sham means, they succeeded in smashing the enemy counteroffensives at the company or battalion levels on three occasions and achieved the splendid results of killing more than 250 enemy soldiers at a relatively small cost.

/Developing the spirit of collective heroism cannot depart from cultural and scientific knowledge, which is an important condition today./ The practice in this operation proves that knowledge is strength and that combat effectiveness comes from knowledge. The operation was conducted after our troops had simplified administration, carried out reorganization, and readjusted the leading bodies. With new cadres and core members and the number of "student officers" and "student soldiers" greatly increased, conducting this operation satisfactorily was a rigid test. The commanders at all levels who had received training at military academies and the "student officers" recruited and trained locally gave scope to their superiorities in age, health, professional knowledge, and general education. They gave a good account of themselves by promptly and correctly handling the various complex situations on the battlefield. The knowledgeable "student soldiers" have a strong ability to accept new knowledge. Mastering skills quickly, they are both resourceful and quick-witted, have both valor and strategy, and have the courage to make sacrifices. They are a promising generation of new people. Caught between enemy cross-fire from three different directions which hampered the advance of our units, a platoon leader, who was a "student officer," calmly analyzed the situation and promptly discovered the enemy's weak links. He organized a small detachment of picked troops, which kept clear of the enemy troops in front by making a detour to the back of the mountains. After climbing steep cliffs, they launched an attack from the rear in coordination with a frontal attack by the company and succeeded in capturing the height at one go. Losing contact with his company after enemy artillery shelling, a "student soldier" who, after judging the situation according to the sounds of rifle and artillery fire, stole up to the rear of the enemy by himself. In the surprise attack that followed, he wiped out 16 enemy soldiers, destroyed an enemy company command post, and captured a quantity of documents and materials. The young knowledgeable commanders and fighters have not let the motherland or the people down. They have demonstrated the fighting courage and might of a new generation of the People's Army under the new situation. Here we can see the spirit of dedication and the fighting style of the young commanders and fighters in the 1980's. As members of the old Red Army who survived several decades of campaigning, we are sincerely overjoyed with, and extremely proud of, the generation of new people who have both ideals, aspirations, modern military knowledge, and the spirit of dedication and who have emerged in large numbers in the new historical period.

/The energetic support of our army units by the local party and government departments and the masses of people during this operation is another important factor and source of the collective heroism developed by our troops./ A special feature of modern warfare is the employment of enormous military strength, the huge consumption of goods and materials, and the tremendous task of logistics. Without a powerful rear base and the support of the people, it would have been impossible to achieve victory. In the entire course of the operation, the people in all parts of the country showed concern and cared for their own army and large quantities of goods and materials and many gifts and letters expressing appreciation were sent to our troops from more than 20 provinces, municipalities, and autonomous regions. At the forward positions, our fighters ate cake from Shanghai, watermelons from Guangxi, apples from Shandong, canned tangerines from Sichuan, and prepared food and cold drinks transported from various localities. Wenshan Prefecture and in particular Malipo, Xichou, Wenshan, and Maguan Counties, which directly assumed the tasks of supporting the front, set up supporting bodies and organized supporting contingents to supply the troops with necessary goods and materials. After the battle started, the people of all nationalities voluntarily organized themselves to support the front. Braving enemy artillery fire, the deputy secretary of the Malipo County CPC Committee personally led civilian workers of various nationalities in delivering goods and materials to the forward positions and transporting the wounded and dead. After the wounded were delivered to the clinics, many workers, office workers, teachers, pupils, grandpas, and grannies voluntarily came to the clinics to help the wounded by bringing them water, feeding them, washing their faces, bathing them, or taking away their excrement. After the wounded were transferred to the hospitals, some leading comrades, including the secretaries of the Wenshan Prefectural CPC Committee, Malipo County CPC Committee, and Kaiyuan City CPC Committee, and the Kaiyuan city mayor, rushed to the hospitals at the head of the masses of various nationalities to donate blood for the wounded soldiers suffering from excessive loss of blood. The frontier guards in Yunnan closely integrated the building of socialist spiritual civilization by the army and the civilians with their joint struggle against the aggressors. The army units carried out extensive activities to help the people of various nationalities in the border area rebuild their home villages and resume production. The militiamen and civilian workers from various nationalities in the border area actively supported the troops, stepped up field construction, and improved traffic conditions in the border area. They coordinated with the army units in patrolling, standing sentry, and keeping close watch on the enemy and succeeded in smashing the harassing and wrecking activities of the Vietnamese special agents and small enemy detachments. All this has fully shown that in modern warfare only by strengthening the close unity of the People's Army and the people and jointly developing the spirit of collective heroism can we more satisfactorily bring into play the overall might of the people's war and build an impregnable fortress for resisting the aggressors.

The spirit of collective heroism displayed in this operation was the result of our army adhering to the "five revolutionary spirits" advocated by Comrade Deng Xiaoping. It was also the development of the fine traditions of our

army in the new period. In the course of protracted revolutionary wars, we surmounted one difficulty after another and vanquished an enemy armed with superior equipment by relying on this spirit and bringing into full play the collective strength and the subjective activity of man. In the counter-attack in self-defense in the Laoshan and Zheyinshan areas we relied on this spirit to win honor for the motherland and to perform meritorious deeds for the people. In future war against aggression, we will also rely on this spirit to vanquish the enemy and to contribute to the defense of the motherland and world peace. In the course of building a modern revolutionary army with Chinese characteristics, we must regard the cultivation of the spirit of collective heroism as an important part so that the fine traditions of our army, which have been formed and developed in the protracted revolutionary wars, will shine brighter.

CSO: 4004/13

ASSESS FROM THE HIGH PLANE OF STRATEGY THE QUESTION OF RECRUITING PARTY MEMBERS FROM AMONG OUTSTANDING INTELLECTUALS

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 16-18

[Article by Cao Zhi [2580 1807]; passages within slantlines published in boldface]

[Text] /Marked progress has been achieved in recruiting party members from among intellectuals, but the problem of outstanding intellectuals' difficulties in joining the party is not yet thoroughly solved./

In the 5 years or so from the 3d Plenary Session of the 11th CPC Central Committee to the 3d Plenary Session of the 12th CPC Central Committee, the whole party has done a great deal of work in setting things to right and implementing policies. As the party's policy on intellectuals has struck root in the hearts of the people and the problem of outstanding intellectuals' difficulties in joining the party has aroused the attention of the majority of party organizations, the work in this respect is turning for the better. It is mainly manifested in the following: 1) In the 5 years, the number of party members recruited from among specialized personnel and skilled workers of various trades and professions progressively increased to a total of 580,000. The proportion of the party members recruited from among specialized personnel and skilled workers of various trades and professions in the total number of the newly recruited party members throughout the country (not including the army) was 8.3 percent in 1978, 23.6 percent in 1982, and 27 percent in 1983. According to the incomplete statistics of some provinces, autonomous regions, and municipalities in the first half of 1984, the party members recruited from among specialized personnel and skilled workers of various trades and professions accounted for around 40 percent of the total number of newly recruited party members, of which the number of university and college students increased remarkably. The quality of these newly recruited party members was fairly good. 2) Party committees attached great importance to the matter and leading comrades personally took a hand in the work. In light of Comrade Hu Yaobang's repeated instructions on attaching great importance to implementation instead of giving general calls and solving the problems one by one, many units regarded the question of helping outstanding intellectuals solve their difficulties in joining the party as an important task in the course of implementing the policy on intellectuals, grasped a number of positive and negative examples, and achieved remarkable results.

However, we can only say that progress has been made in the work of the previous stage but cannot overestimate the situation. The problem of outstanding intellectuals' difficulties in joining the party has not yet been thoroughly solved in a number of units. In these units, some party members and cadres are still influenced by "leftist" ideas and are prejudiced against intellectuals. They lack understanding of the status and role of intellectuals, do not recognize that the intellectuals are a component part of the working class, treat them as "aliens" and "people to be reformed," hold that they can "be utilized but not trusted," and even maintain that the increased number of party members recruited from among outstanding intellectuals would "change the nature of the party" and "alter the sickle and hammer on the party flag." These comrades fail to understand, train, and help the intellectuals who have applied to join the party. Some party cadres who are affected by selfish ideas and factionalism deliberately make things difficult for intellectuals. There are also some party organizations at the basic levels which are weak and incompetent. They pay no attention to intellectuals' applications to join the party. They discriminate against the intellectuals and fail to solve the long-standing problems even under pressure from higher authorities. As a result, a considerable number of intellectuals who have applied to join the party for many years and who are qualified for party membership are still not recruited. Therefore, it is necessary to call the attention of party organizations at all levels, particularly the comrades of the organization departments, and to conscientiously solve the matter.

/The importance of recruiting party members from among intellectuals should be realized from the strategic high plane of building the four modernizations./

While setting forth the general objective and task of building the four modernizations in China, the 12th CPC National Congress clearly pointed out the need to "make the party a strong leading core for the cause of socialist modernization." This is the objective set for strengthening party building in the new period. With the efforts made in the past few years, the party's organizational situation, including the composition and distribution of party members, has improved to some extent. But it still cannot meet the demands of the general task set for the new period. According to the statistics at the end of 1983, of a total of more than 40 million party members throughout the whole country those with university and college education accounted for only 4 percent, while illiterates or those with primary education accounted for over 50 percent. The CPC Central Committee has repeatedly required party committees at all levels to attach importance to and properly solve the problem of intellectuals' difficulties in joining the party and has called on the comrades of the whole party to acquire general and scientific knowledge and to be better educated and professionally competent because it is a major political issue concerning whether the party can competently lead the historical mission of building the four modernizations. We must understand the decisions and instructions of the CPC Central Committee from this strategic high plane and, under the leadership of party committees at all levels and with the efforts made by various organizations, strive to achieve enormous progress in this work.

Of the various factors which adversely affect the progress of our current work, the main one is the obstruction of the remnant ideas of the "left" deviation. For this reason, party organizations at all levels, particularly leading cadres, should resolutely eradicate the influence of the "leftist" deviation and other outmoded ideas and firmly foster the correct Marxist idea of respecting talented people and knowledge. China's intellectuals are the component part of the working class which have marched in the forefront toward modern science, technology, and culture. In order to lead the people in building a powerful, democratic, civilized, and modern socialist country with Chinese characteristics, the party should attach great importance to the exploitation of intellectual resources. The party itself needs a considerable number of specialized personnel who have mastered the knowledge in the natural and social sciences so that it can have greater capability in assimilating the contemporary and sophisticated scientific achievements, propelling scientific and technological progress, and promoting the development of the productive forces, and can meet the urgent needs of the new situation and task. In a word, the advanced nature of the proletarian political party and its historical mission determine that the party should lead the whole society in establishing the general mood of respecting talented people and knowledge and should also conscientiously improve the educational structure of the ranks of party members. We must make efforts to carry out the two plans together, that is, on one hand, actively recruiting large numbers of party members from among outstanding intellectuals; and on the other hand, conducting educational and specialized training for party members in a planned manner so as to effect a remarkable change in the educational structure of the ranks of party members.

The stress of recruiting party members from among intellectuals should be put on the outstanding elements among the middle-aged and young intellectuals. Of the ranks of intellectuals in China, those in their twenties, thirties, and forties are the generation of people who are to undertake the historical mission of inheriting the past and ushering in the future, therefore, we must pay great attention to recruiting party members from among them. The cause of communism can be accomplished only through the efforts made by several generations. After realizing the initial stage of the four modernizations by the end of the century, we will need to work hard for another 50 years or so to catch up to the level of the developed countries in science, technology, and economic development. This will need the sustained efforts of at least two generations. In order to maintain its youthful vigor in the process of leading this great cause, the party should at all times attach great importance to the work of the new rising forces which play an important role in the various construction causes in the future of the motherland. Naturally, we must also take note of recruiting party members from among veteran intellectuals who are qualified with party membership and who are eager to join the party.

/Correctly understand and assess the political criteria for party membership in the new period./

The general task of the party varies in different historical periods, and naturally the concrete contents of the political criteria for admission into

the party are not the same. For example, the most important demand in the past was "bravery in struggling against the enemies" and "not fearing death in battles." This was absolutely correct and necessary during the revolutionary war period. At present we still have enemies before us and bravery in struggling against them is still needed. However, the focus of work has been shifted to economic construction. In speaking about the selection of cadres, Comrade Deng Xiaoping said: "Benefiting the people and making positive contributions to the development of the productive forces and to the socialist cause are the chief political criteria." ("Selected Works of Deng Xiaoping," p 141) In recruiting new party members, we should also implement this spirit. The realization of the four modernizations is the greatest political goal of the new period. Therefore, in assessing whether or not a person meets the criteria of a party member, we must first of all see whether or not he is working hard for the realization of the four modernizations and whether or not he is determined to dedicate himself to benefiting the people. Many of our intellectuals love the party, have faith in the party, work hard, endeavor to gain professional proficiency, and have voluntarily dedicated themselves to the four modernizations. Yet, they are regarded by some people as "not concerning themselves with politics" and "having no eager desire to join the party" simply because they write fewer reports on their ideology than others. Such a view is quite wrong. Some people still regard intellectuals who endeavor to gain professional proficiency and attain achievements in research as people who "pay no attention to politics," who are "experts without social consciousness," and who are "seriously actuated by hopes of personal fame and gain." They even regard daring to make criticism and determination to carry out reform as "ignoring the leadership," "being proud and conceited," and "starting something new in order to be different." In this way, they regard strong points as shortcomings and confuse truth and falsehood. It is imperative to educate party members so that they will have a correct understanding of the new demands in the new period and will emancipate themselves from the shackles of "leftist" ideas of the past and abandon outdated conventions and ideas.

Due to various reasons, some intellectuals have their own professional habits and styles of life which are different from those of office cadres, workers, and peasants. This is normal in the first place. You may be fond of playing chess or chatting with others in your spare hours, while some intellectuals like to read books and listen to music. However, nobody will say anything about how you spend your spare time, but the intellectuals' ways of spending their spare time will be regarded as "being above politics and material pursuits." Some comrades just ignore the essential aspects and are fond of and accustomed to nitpicking. They do not take an attitude of making analysis based on facts. This shows that their political and theoretical level is low.

In assessing intellectuals who desire to join the party, some comrades do not first see how they actually behave but use the old method of first finding out their family background and their history. Being influenced by the concept of "taking class struggle as the key link" in the past, these comrades will carry out investigations into many things, including matters of one's grandfather, in handling problems of family origin, personal

history, and social connections. Applications involving the so-called problem of "overseas connections" may even more easily be put aside and may not be granted for a long time. This hurts the intellectuals who wish to make progress. To ensure the quality of party members, it is necessary to carry out a certain political examination of the applicant, but we should chiefly see how he actually behaves.

Some party cadres stand in the way of the outstanding intellectuals who want to join the party. They do this out of selfish motives. They are jealous of capable people and fear that once an intellectual has become a party member, he will be "like a tiger that has grown wings" and will not be so easily supervised. They are afraid that their position in the "iron armchair" will be threatened. They even openly say that "while you are educated, the party membership certificate is in my hand. While you have knowledge, I have qualifications and record of service. No matter how capable you may be, you will still be under my leadership as long as you are not admitted into the party." This involves their political character. Regarding people who, out of jealousy, purposely place obstacles to make things difficult for intellectuals to join the party should not only be criticized but also punished according to party discipline.

/While recruiting large numbers of party members from among outstanding intellectuals, attention should also be paid to recruiting party members from people of other fields./

While attaching importance to and appropriately solving the intellectuals' difficulties in joining the party, we cannot and should not neglect the work of recruiting party members from people of other fields. In recruiting new party members, the general objective of building the four modernizations and the educational and age structure of the ranks of party members of the respective locality and unit should be taken into account. From now on, in recruiting party members from among workers, peasants, servicemen, and cadres, we must adhere to the requirements of party membership stipulated in the party constitution and take note of their educational quality. Although the conditions in the minority nationality areas and remote mountainous areas are special, it is generally not suitable to recruit party members from among illiterate people.

For over a long time in the past, we recruited party members mainly from among the poor and lower middle peasants. This was correct under the historical conditions of the time. At present we must resolutely change the outmoded method of recruiting party members from among the poor and lower middle peasants who "suffered bitterly in the past" and who "have a good class background." Since the implementation of the production responsibility system in the rural areas, the "two households and one combination" (specialized households, major households, and economic combinations) have developed swiftly. They are the representatives of the advanced productive forces in the rural areas and leaders in taking the road to prosperity through hard work. Therefore, it is necessary to recruit party members from among the advanced elements of educated young peasants and the "two households and one combination."

/Transform the work style in real earnest and strengthen leadership over the work of recruiting party members from among intellectuals./

The organization departments at all levels are the departments under the party committees in charge of the work concerning intellectuals. The problem of helping intellectuals solve their difficulties in joining the party should of course be important work of the organization departments. The comrades working in the organization departments should first cherish a deep affection for the intellectuals, have a high sense of responsibility and urgency in admitting outstanding intellectuals into the party, and remove the obstacles which obstruct the outstanding intellectuals from joining the party. Comrade Hu Yaobang gave written instructions to an investigation on intellectuals: "We must go all out to maintain links with the masses, conduct investigations and studies, grasp and solve the problems one by one, and never try to submit reports and ask for instructions over and over again. If we can work hard, seek truth from facts, and conduct more work in accordance with the party's policies, the masses, intellectuals, and cadres as well as the central authorities will be happy, so why should we not go ahead with it?" In light of this instruction, we must improve our leading style and work methods, straighten out the bureaucratic attitude of "pigeonholing and postponing the consideration of the applications and leaving them unsettled," and conduct meticulous and fruitful work in a down-to-earth manner.

CSO: 4004/12

THE 'GREAT CULTURAL REVOLUTION' WAS NOT A REVOLUTIONARY MASS MOVEMENT

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 19-21

[Article by Jin Chunming [6855 2504 2949]]

[Text] The "Great Cultural Revolution" was once widely propagated as a "great revolutionary mass movement." Although this "mass movement" already is a thing of the past with the ending of the "Great Cultural Revolution," its influence still more or less exists in some people's minds. For example, some people ask whether negating the "Great Cultural Revolution" means negating the masses, the mass movement, and so forth. Therefore, while conducting education on thoroughly negating the "Great Cultural Revolution" today, it is still necessary to further clarify the problem whether the "Great Cultural Revolution" was a so-called mass movement.

On the surface, the "Great Cultural Revolution," in which millions upon millions of the masses took part, was truly grand and spectacular in scale. However, we should judge a matter from its essence rather than from its superficial appearance. We should not judge a matter by the number of people involved, but by the reason why and under what circumstances they participated. If we make specific analyses in these regards, it is obvious that the "Great Cultural Revolution" was not at all a true revolutionary mass movement.

Marxism tells us that any true mass movement "is not the result of the activities of a tiny number of people, but a manifestation of the spontaneous and irresistible demands and needs of the people." ("Selected Works of Marx and Engels," Vol 1, p 501) Of course, the demands and needs of the masses are by no means groundless, or figments of the subjective imagination. Instead they are deeply rooted in the political and economic life of society. However, at that time, were there any objective bases in the political and economic life of our country for launching the "Great Cultural Revolution" in order to seize power from the "capitalist roaders" and encourage "one class to overthrow another"? The answer is definitely no. Did the masses truly have "spontaneous and irresistible" demands and needs on which a true mass movement relies? The answer is also definitely no. In socialist China, there was no in-depth social factor causing the extensive social turbulence and changes. At that time the socialist transformation of the private ownership of the means of production was already completed.

Social public ownership occupied a dominant position in production relations. Although such production relations were not perfect, and there were shortcomings, defects and much room for improvement in them, basically speaking they conformed with the requirement of the development of the productive force, and protected and promoted the development of the productive forces. In the meantime, the exploiting classes which represented the old production relations no longer existed, and the state power under the people's democratic dictatorship was firmly in the hand of the working class and the broad masses of laboring people. Although this political superstructure needed further improving, it basically conformed with the economic foundation. In other words, in our country there existed no economic foundation and superstructure for exploiting and ruling the people, which should be smashed and overthrown. With regard to some links and aspects in production relations which did not conform with the development of the productive forces, their self-improvement could only rely on the socialist system and be promoted under the leadership of the party and government in a planned and orderly way, and step by step. It was unnecessary to change them coercively by way of a "mass movement." Just as the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has correctly pointed out: "Under socialist conditions, there is no economic or political basis for carrying out a great political revolution in which 'one class overthrows another.'" Of course, this "Great Cultural Revolution," which had neither an economic nor a political basis, did not reflect the true desires of the broad masses of people.

Before the launching of the "Great Cultural Revolution," what were the true desires of people of various nationalities throughout the country? As far as the historical tasks of socialism were concerned, the desires of the people were: 1) Eliminating classes; and 2) developing the productive forces. After the elimination of the exploiting classes, developing the productive forces became the basic task, because it is the basis for eliminating all exploiting classes and the basis for the transition to communism as well. As far as the specific conditions in 1966 were concerned, after 3 years of readjustment, we basically overcame serious difficulties in the national economy, established a proper ratio between various economic sectors, created a new situation in setting off a new upsurge of industrial and agricultural production, and improved the people's living standard to a certain extent. At that time the Third 5-Year Plan was already formulated. According to the plan, we would build our country into a socialist power with modern agriculture, modern industry, modern national defense, and modern science and technology within a not too long historical period. The realization of the four modernizations correctly reflected the principle of the law of socialist development as well as the true and crying needs of the broad masses of people. Under such circumstances, if we mobilized the masses to seize power from the so-called "capitalist roaders," and to carry out a "great political revolution" in which "one class overthrows another," rather than leading the masses to promote socialist modernization wholeheartedly, we obviously ran counter to the objective course of China's history and the urgent needs of the broad masses of people.

It was precisely due to this reason that when the "Great Cultural Revolution" was first launched, many cadres and the masses felt that the matter happened so abruptly that they could not understand it. At that time, the "Decision on the Great Proletarian Cultural Revolution" criticized that "many responsible persons of the units have a very poor understanding" of the movement, and "their leadership is far from conscientious and effective." Some articles and speeches repeatedly urged the masses not to oppose the "revolutionary actions" of the "rebel factions." All this demonstrated that the broad masses of cadres and people were involved in the movement passively and involuntarily rather than on their own initiative.

Such being the case, at the initial stage of the "Great Cultural Revolution," why were there so many people taking part in it, and why could such a great momentum be built up? A concrete analysis of the problem based on the specified historical conditions at that time is required. The main reasons were:

1. The broad masses of people fully trusted our party and Comrade Mao Zedong. During the democratic revolution, socialist revolution and socialist construction, our party and Comrade Mao Zedong led people throughout the country to win one glorious victory after another. The broad masses of people fully believed that the leadership of the party and Comrade Mao Zedong was correct. Slogans such as "We act according to Chairman Mao's instructions, and we advance when Chairman Mao gives the signal," and others reflected the understanding of the broad masses of people. At that time many comrades who first did not comprehend the "Great Cultural Revolution" gave up their own views when they realized that the revolution was initiated by Comrade Mao Zedong. In other words, they participated not because of their own perceptual experience and judgment, but because of their trust in Comrade Mao Zedong himself. However, under the conditions in which personality worship was prevalent, the trust in a leader could not be placed on a correct and sober basis. We should learn a lesson from this.
2. Starting from the late 1950's, "leftist" ideology grew inside the party. As a result of a series of political movements, this "leftist" ideology produced fairly widespread influence over cadres and the masses on the eve of the "Great Cultural Revolution." Under the call for "opposing revisionism and preventing its emergence," many people believed the wrong judgment that "the restoration of revisionism is imminent." With zeal to "safeguard the Red state power," they participated in the "Great Cultural Revolution."
3. People participated in the movement due to various kinds of pressure. Due to the fact that taking sides in the struggle between the two lines was seriously regarded as a matter of stand, political orientation, maintenance of proletarian integrity, and even an issue of revolution or counterrevolution, many people were compelled to promptly make known their position and make their choice.
4. Lin Biao, Jiang Qing, Kang Sheng and their ilk seized the opportunity to resort to demagoguery, create chaos, and incite some people who were unaware of the truth to ransack party and government organs, ferret out and

struggle against cadres, and "delude the masses" by hook or by crook. This was also a factor which should not be neglected. It was precisely under such conditions that the broad masses of people, many youngsters in particular, were carried away by blind fanaticism. Incited by the slogan "It is justified to rebel," they raised waves to rapidly push forward the "Great Cultural Revolution." However, due to the fact that the movement was not launched out of the personal desires and urgent needs of the masses, after raising their political consciousness through different ways because of lessons they had drawn in practice, many people gradually adopted a skeptical and wait-and-see attitude toward the movement. Thus, they broke away from the "Great Cultural Revolution" group by group.

A host of facts have fully proved that the "Great Cultural Revolution" not only violated the desires of the masses, but also brought them great calamities. In this movement various kinds of "labels" were pinned on numerous people throughout the country. Many people were ferreted out, struggled against and criticized. They were detained in "cow pens" or put into prison. There were a large number of false charges, wrong sentences, and frameups. People also realized through their own personal experience the bad influence of the "Great Cultural Revolution" on society and the life of the masses. It is appropriate to say that the "Great Cultural Revolution" was extremely harmful to the broad masses of people, with the exception of the Lin Biao and Jiang Qing counterrevolutionary cliques and a tiny number of their own close followers. During the "Great Cultural Revolution" some people said that it was not a "mass movement," but a "movement which deludes the masses." Since the "Great Cultural Revolution" was not launched out of the urgent needs and desires of the masses, people were severely harmed by the movement, and the movement itself did not play any positive role in the development of social history, how can we say that the "Great Cultural Revolution" was a "revolutionary mass movement"?

Lin Biao put forward a misleading theory on the "reasonableness of the mass movement by its very nature." It was obvious that his purpose in so doing was to make the theory directly serve his counterrevolutionary aim of usurping the party leadership: 1) With this theory, Lin Biao disguised himself as a person who respected and supported the masses most; 2) under this signboard, he instigated the organizations under his control to overthrow persons whom he intended to overthrow in the name of the mass movement; and 3) using this fallacy, he suppressed and attacked the masses who dared to oppose him. Lin Biao used this "theory" as a "tiger-skin" to cover himself and intimidate other people.

Based on the above-mentioned analysis, we understand that negating the view that the "Great Cultural Revolution" was a revolutionary mass movement does not mean negating the masses, because they are two completely different matters. Through the "Great Cultural Revolution," people clearly understood that most members of the 8th CPC Central Committee took a correct stand in the struggle, that most party, government and army cadres at all levels were loyal to the party and people, that they had firm faith in the socialist and communist cause, and that most people of various nationalities throughout the country loved the motherland and supported the party and

socialism. Just as the "Resolution" has pointed out: "The struggle waged by the party and the people against 'left' errors and against the counter-revolutionary Lin Biao and Jiang Qing cliques during the 'Great Cultural Revolution' was arduous and full of twists and turns, and it never ceased." Therefore, saying that the "Great Cultural Revolution" was not a revolutionary mass movement does not at all mean failing to respect the masses, and negating them. On the contrary, it has dissipated the false impression that the "Great Cultural Revolution" was a conscious demand of the masses and drawn a clear line of demarcation between the masses and this internal disorder.

We say that the "Great Cultural Revolution" was not a revolutionary mass movement. Does this mean negating the party's mass line? The mass movement has connections with the mass line, but they are not one and the same thing. The party's mass line means submitting everything to the needs of the masses, relying completely on the masses, getting the opinions of the masses and referring them back to the masses. Its basic requirement is: "The supreme test of the words and deeds of a communist is whether they conform with the highest interests and enjoy the support of the overwhelming majority of the people." ("Selected Works of Mao Zedong," Vol 3, p 1045) Passing this "supreme test" means completely implementing the mass line. A movement which fails to pass this "supreme test" means, in essence, violating the mass line despite its grand and spectacular scale in form. A mass movement is defined as revolutionary and production activities on a certain scale participated in by the broad masses of people. The mass movement led by the party is one of the methods for implementing the mass line. We should implement the mass line in all our work. However, it does not mean that we should vigorously launch mass movement in all our work. Historical experience has told us that while doing some work, we should launch mass movement. However, while doing some other work, we are absolutely not allowed to launch a mass movement. Mass movements should be launched in accordance with the occasion and the nature of the work. Although the "Great Cultural Revolution" was, in name, a movement which relied on and mobilized the masses, it was not a revolutionary mass movement because it failed to implement the mass line. Did the "leftist" erroneous viewpoints on which the launching of the "Great Cultural Revolution" was based reflect the opinions of the broad masses of people? Did those erroneous guiding principles and practices of the "Great Cultural Revolution" conform with the highest interests and truly enjoy the wholehearted support of the broad masses of people? Facts have fully proved that the erroneous launching of the "Great Cultural Revolution" was precisely the result of violating the mass line.

Completely negating the view that the "Great Cultural Revolution" was a so-called "revolutionary mass movement" is of practical significance, because to date there are people who still hold muddled views on this issue, and there are people who like to frequently indulge in anarchism and "extensive democracy" in the name of the "masses." We should say that this has demonstrated that the erroneous influence of the "Great Cultural Revolution" has not yet been completely eliminated. While providing them with education in completely negating the "Great Cultural Revolution," we should further help them solve this problem thoroughly in their ideological understanding.

CULTIVATE THE PEASANT'S INTELLECTUAL RESOURCES IN CLOSE COMBINATION WITH
PRODUCTION--RURAL INVESTIGATION INTO TWO COUNTIES IN THE ZHU JIANG DELTA

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 22-26

[Article by Nie Lili [5119 5461 5461] and Li Ping [2621 5493], graduate students at the Sociology Institute of the Chinese Academy of Social Sciences]

[Text] During a rural investigation of Xinhui County and Zhongshan County in the Zhu Jiang Delta carried out in the spring of this year, we were deeply impressed by the fact that the profound changes which are occurring in the villages and the speed at which the level of production is being raised have made the question of raising the intellectual level of peasants much more pressing. The above changes have also provided the conditions for raising the intellectual level of peasants.

I. The "One High, One Low" Revelation

For this investigation, in each of the two counties, Xinhui and Zhongshan, we selected a district where the agricultural technology network was sound and the agricultural technology propagation work was good. Those selected were Lile [4409 2867] District in Xinhui County and Minzhong [3046 5883] District in Zhongshan County. In each district, we separately examined three townships; Xiangrong [0686 5554], Wusha [3527 3097], and Weihong [5898 4767] in Lile, and Minle [3046 2867], Xinpingsi [2450 1627 0934], and Jinbiao [6930 2871] in Zhongshan.

If we simply assess the intellectual level of the labor force on the basis of the formal education received, then we can say that even though these are wealthy townships, their intellectual level is low. The four townships of Xiangrong, Weihong, Minle and Xinpingsi have a total labor force of 3,699 people. Of these, close to 30 percent are illiterate. Over half the people only have primary education, while graduates of middle schools and above constitute 11 percent. Of these only 3 percent have received education to a senior middle school level.

Although the educational level here is rather low, the level of scientific planting is rather high. Seen from the production amounts of various major agricultural crops in Minzhong District, the 1982 yield per mu of paddy rice

was 1,540 jin. In 1983 it was 1,608 jin. The sugarcane yield in 1982 was 8 tons per mu. In 1983, the crop was affected by a natural disaster but production still reached 6.5 tons per mu. In Lile District the production amounts were a little less, but they still reached the fairly high levels of 1,300 jin of paddy rice per mu and 5.5 tons of sugarcane per mu.

This "one low and one high" shows that although the educational level is an important part of the intellectual level, it does not constitute its entirety. Intellect also includes practical experience and the ability to utilize knowledge and experience in resolving problems, that is, the level of skills. We asked the secretary of one of the production brigades about the techniques the peasants use in planting paddy rice. He took out a piece of paper and wrote the following lines: "The peasants in this village have generally mastered: 1) cultivation techniques; 2) management techniques, such as those for fertilizer and water management; 3) techniques for guarding against insect pests and diseases. They can tell by looking at an insect what generation it is; 4) an understanding of the process of crop growth and physiology, for example, the growth stages in the formation of an ear of paddy rice." The use of technology in agriculture is guided by scientific theory. Taking cultivation of paddy rice as an example, the standards for planting and number of seedlings planted were formerly decided by experience. Now the "low density plant strengthening [di qun ti jian shen 0144 5028 7555 0256 6500] planting method" has been implemented. On the basis of improving the microclimate in the fields, promoting the growth of individual plants and grouped plants, improving the photosynthetic utilization, and other scientific principles, under this system, different seed types have different requirements in terms of seedling numbers and standards. We can also see this in terms of fertilizer application. Formerly fertilizer would be applied on the basis of looking at the weather, looking at the ground, and looking at the crops. Now they stress "applying fertilizer on the basis of the soil" and the "method of using nitrogen to regulate and control the soil." When chatting with the peasants, they were able to tell us all about the relative benefits of nitrogen, potassium, and phosphorous as fertilizers, the use of plastic film in raising rice seedlings and so on.

Although the educational level of many peasants here is low, their technical level is certainly not low. It appears that in raising the peasant's intellectual level, on the one hand we must adopt various measures to raise the rate of children from rural families entering schools, thus strengthening formal education. On the other hand, we must stress the passing on of practical techniques based on advanced natural sciences to the vast number of peasants who engage in production activities.

II. The Avenues for Raising the Level of Scientific Farming

How has the peasant's level of scientific farming been raised?

Of the rural households investigated in Minzhong District, over 80 percent of the rural households answered that their new techniques had been obtained through technical training. The technical training referred to are large classes run by the district agricultural technology propagation station in

the appropriate farming seasons and at various stages of crop development. These classes provide the peasants with scientific and technical knowledge and propagate new varieties and new techniques. For example, in 1983, they introduced the methods of using sparse arrangement to raise strong seedlings, covering seedlings with nylon instead of leaving them exposed [lu di yang gai ni long yang 7216 0966 4441 2395 1441 7893 4441], and low-density planting methods using younger seedlings. They also improved the varieties. Simply by introducing a hybrid rice, they raised the per mu yield by 80 to 100 jin. The technicians in the agricultural technology station prepare lessons together and then separately go to production brigades to lecture. This brings technical training to the door. In 1983, attendance by peasants at classes throughout the district totaled 13,300. Virtually everybody attended. The day we went to investigate Xinpingsi township, we found Comrade Liang Shigen, the deputy district head and concurrently head of the agricultural technology propagation station, giving a lecture on seed selection and growing seedlings. Inside a large building there were over 100 peasants. Some were sitting on the ground and others leaned against walls or squatted in the corners. The old people incessantly puffed at their bamboo water pipes and the children scrambled in and out of the groups of people. It was very unlike a classroom. But Liang Shigen lectured very conscientiously and everyone listened very closely. Modern knowledge is being passed on and disseminated in simple and unsophisticated environments like this.

A characteristic of peasants is that they stress practicality. If they hear something, they will not be completely convinced. They need to see it with their own eyes before they believe it. In this regard, the linking up of the agricultural technology stations with technical demonstration households has played a great role. In Minzhong District, the agricultural technology station has chosen from one to three households in each production team as technical demonstration households. The standard for choosing these households is that they have a high level of farming techniques and that they are happy to accept new techniques. The agricultural technology stations and the demonstration households sign a technology contract and then technical data and guidance are given to the households. In the whole of Lile District there are 160 production teams. They have been divided into three categories of high, medium, or low on the basis of their production amounts. In each category a demonstration household has been selected. In 1983, the demonstration households achieved a per mu yield of 776 jin for early crop paddy rice. This was an increase of 104 jin over 1982, and 74 jin higher than the district average. The ways the peasants raise the level of agricultural technology are by listening to technicians' lectures and watching the way the demonstration households operate. They then immerse themselves in doing this themselves. At harvest time, comparisons are made as to who achieved the highest yield, differences in techniques are compared, and then improvements are made on this basis.

The Lile District agricultural technology station runs a consultancy service station. It has been set up in the town and peasants from the four townships can at any time go there to seek advice. The technicians provide them with the service free of charge. If diseases or insect pests occur in

the fields, the technicians go to the fields to make an examination and then they take action to remedy the problem. Because they "answer any question, respond to any need, and accede to any request," these service stations have gained the deep trust of the peasants. If a peasant passes a service station, regardless of whether he has a problem, he will go in and sit for a while. He will listen to anything new the technicians have to tell him and then will chat about his own family's production. The station subscribes to eight magazines related to agricultural technology and agricultural economics, and six newspapers. The small bookshelf is also filled with books on agricultural technology. Anyone who has the educational level can go in and read these at any time. Two blackboards face the street and at the appropriate time, important information on planting management techniques is put up on these. These blackboards are seen as authoritative by the peasants.

The agricultural technology stations in the two districts also propagate agricultural technology knowledge to the masses by distributing data sheets. In 1983, Minzhong District issued 20 data sheets totaling 125,300 copies to rural households. The characteristic of this technical data is that it is closely linked with the district's production practices, and thus easily understood. For example, at the end of 1983 they published the 1984 paddy grain production plans, and proposed 10 important technical reforms and appropriate technical requirements. The stipulations were very specific, and if they were followed would provide a good harvest.

The carrying out of agricultural technology propagation work in our nation's villages is a form of rural education which accords with China's national conditions. Its most important point is that it pays attention to work. Learning is for the purpose of raising production and raising income, and learning is done through working. Peasants who have mastered technical knowledge through working and learning can, on their same piece of land, achieve much better results than they had previously achieved. From the Minzhong District paddy production totals over the years, we can see that since the institution of the responsibility systems, the peasant's initiative has been raised and the per mu yield has increased. However, because of the technical level, this situation is not too stable. In 1982, with the strengthening of the agricultural technology propagation system, the per mu yield increased 33 percent over the previous year. In 1983, it rose again by close to 7 percent, reaching the high level of 1,640 jin.

After knowledge about scientific planting is disseminated by technicians and verified through the practice of farming by the peasants, it remains in the peasants' brains. A technician happily told us that some people had already mastered the agricultural knowledge they had taught over the last 2 years and had sought out the technicians to discuss new questions. Through the popularization of agricultural scientific knowledge, the peasants have changed and now easily accept new things. Previously, when promoting the use of sparse arrangement to raise strong seedlings, many people did not believe that it would work. Only when they made a loss at harvest time did they believe. In 1983, when they were propagating the use of plastic film in raising rice seedlings, the technicians expected to meet obstacles, and were surprised when this method was quickly accepted.

During the investigation, it was found that 60 percent of the peasants felt that "lack of knowledge" was a big problem. During collective production many peasants did not understand the whole production process and did not feel that they lacked anything. When they took over responsibility for fields, some of the mistakes they made were laughable. Now they have "improved to a great degree" but still feel it is not sufficient. This is the great impetus which modern knowledge has given to them.

III. The Agricultural Science and Technology Contingent

Agricultural scientists and technicians are the peasant's teachers and the disseminators of science. What is the state of affairs with this contingent?

Xinhui County and Zhongshan County have both set up county agricultural technology propagation centers comprising an agricultural science institute, an agricultural school, and an agricultural office. These are the most authoritative agricultural science and technology organs in the counties. They have taken on the task of introducing advanced scientific research results, assimilating these on the basis of the local characteristics and then passing these on to the agricultural technology centers in the districts. There have been agricultural science stations set up under the agricultural technology centers. These are responsible for increasing production and demonstrating individual techniques. Bases for improved seed varieties for all sorts of crops have also been set up. District agricultural technology service stations have been set up in 75 percent of districts in Xinhui County and in 91 percent of those in Zhongshan County. These agricultural technology service stations directly cater to the thousands of households by the above-mentioned large classes, consultancy, practical demonstration households, technical contracts, and various other forms. By these means, the station widely propagates new agricultural technology. There is a clear division of work and close relationships between the agricultural technology departments at the county level and those at the district level. This promotes the country's scientific research work and guarantees the transfer of science and technology to the peasants.

As to the technical personnel, most are from four categories: tertiary-level vocational school graduates; vocational middle-school graduates; agricultural upper middle-school graduates; and veteran farmers who have become qualified through self-study. In the Xinhui County agricultural system, of the 124 specialized personnel in the state establishment, 32 people or 25.7 percent of the total are graduates of tertiary-level vocational schools. Following the development of agricultural production, the demands made on the technicians have grown gradually greater, and the need for graduates from tertiary-level vocational schools is becoming daily more pressing. However, there are not many tertiary-level agricultural institutes in Guangdong Province and they can only train a limited number of people each year. They cannot satisfy demand.

With the present level of our nation's technology, graduates of vocational middle schools are quite appropriate. Of the agricultural technical

personnel in Xinhui County, 52.4 percent are graduates of vocational middle schools. They are the backbone force of the agricultural technology stations. At present, there is a great need for this sort of technicians. However, recently there has been a reduction in vocational middle-school education. The number of students enrolled has decreased and thus the number of graduates must also fall. The major reason for this is that, since the introduction of financial responsibility, when graduates are allocated, they cannot take with them a cadre's position and wages. The wages and benefits must all be handled through the county finances. The burden is heavy and thus the counties have had to refuse the qualified personnel they need.

The swift development in changing ordinary upper-middle schools into agricultural middle schools has been received with enthusiasm by the peasants. However, this further development is meeting many problems. For example, the demands of unified teaching materials and education plans, teacher training, finding the funds to establish an experimental base, and so on. There is a need for overall planning from top to bottom to resolve these problems.

In the agricultural technology propagation stations of all districts, technicians of the "veteran farmer" type occupy a large number of the technician positions. Their families are in the villages of the district, and they are familiar with the agricultural production of the district. They have a certain education and knowledge of specialized technology. In this way, it is not necessary for the state to pay cadres salaries, and these technicians can also play a role in spreading scientific and technical knowledge. For these reasons, this contingent is expanding.

In regard to the level of specialization, a problem faced by the agricultural technicians is the need for them to study to refresh their knowledge and strengthen basic theory. Most of the comrades who have studied at the tertiary level graduated at the end of the 1950's or early in the 1960's. Their knowledge has become quite seriously outdated. As to the comrades who graduated from vocational middle schools, their knowledge of basic theory is insufficient. The knowledge of those technicians who have not studied is even more restricted. At present, in the situation where yields have reached fairly high levels, if we wish to stabilize production, maintain soil fertility, and continue to raise production, it will be a very difficult task. The technicians feel that if they do not improve themselves, they will not have the means to tackle new problems. Another outstanding problem in their work is that the makeup of the specialties of agricultural technicians is not rational. They have mostly studied planting, and in most cases cultivation management. Very few are qualified in regard to the biochemical requirements in maintaining soil cultivation, or in microbiology. Also there are few qualified in aquatic breeding. In Xinhui County there is only one livestock veterinarian, and there is a complete lack of people qualified in agricultural economics, commercial economics, or operations management.

IV. New Tasks

At present, our nation's villages face the task of making a new breakthrough. That is, they must transform the present self-sufficient and semi-self-sufficient economy into a quite large-scale commodity economy. They must also transform traditional agriculture into modern agriculture. In the vast number of villages, where planting has been the main occupation for generations, this cannot be achieved in a single step. The situation we observed in the two districts is as follows:

1. The "small but complete" style of planting and animal-raising agriculture. An investigation of the net incomes of 66 households in Xinhui County showed that 90 percent of their net income came from planting. Animal husbandry, poultry, livelihood services, fishing, transport, and weaving did not even provide 10 percent of their income. In drawing up county and district plans for agriculture, great stress is placed on planting and on high yield and extra-high yield crops. (It is understood that Xinhui County has recently set to work in readjusting the economic structure--Editor.) This work is undoubtedly necessary, but Guangdong is a densely populated province, land resources are very limited and the area yield has already reached a high level. In the circumstances of there being no great changes in biotechnology or cultivation technology, there is not great potential for large increases in yields. Thus, concentrating only on the soil when we engage in agriculture is not a long-term plan.

2. Channels are few, markets small and sales difficult. Aquatic breeding is quite developed in Zhongshan County's Minzhong District. Income from aquatic breeding constitutes 28.1 percent of the rural household's income. Since the increase in the production of agricultural products, apart from some which the state purchases, the remainder of the products have to be sold in the markets of the area. It is a great problem to sell them all. Similarly, it is difficult for the peasants in Lile District to sell all the oranges, mandarins, green vegetables, and mushrooms they grow. On the one hand, there is the difficulty of selling the products and on the other have very few people engage in business. In the four townships, including Xiangrong, there are 1,397 households, but only 3 households engage in business, and these only deal in household daily use goods.

3. Agricultural and sideline product processing and the fodder industry are waiting to be developed. Agricultural and sideline product processing has basically not been developed in the two counties and is unable to meet the demands of agricultural production development. Situations have occurred where easily perishable goods like mandarins and fish have not been processed in a timely way and have gone rotten. Also, it is difficult for the rural households to purchase fodder, and when they can it is of inferior quality and expensive.

4. There is a large surplus of labor. In an investigation of 148 households, the average area planted per capita was 3 mu. Even in the busy agricultural seasons, only about 70-80 percent of their work force went to the fields. The custom of the people in dealing with this labor surplus is for

the extra people to go to the urban areas as casual laborers. On the wharves of this water network region, one can always see many more bicycles and small passenger carts playing for hire than there are passengers. It is a difficult way to make a living.

The key to resolving the above-mentioned problems lies in opening up new industries and developing specialized production. Some people want to leave the land and specialize in processing and sales. Throughout the country, many areas have successful precedents in this regard. Why are the various areas in the Zhu Jiang Delta, given their good production conditions and high product commodity rates, so tardy in taking this step? The reasons are many.

In terms of the intellectual aspect, people generally believe that the reason people do not engage in specialized production is that they lack specialized technical knowledge. Cadres at various levels in the villages and the peasants also stress this. In our investigation, we discovered another aspect that was very important. This is that peasants, and even grassroots cadres, do not have the mind or the vision to engage in specialized production. There is a contradictory phenomenon: The peasants, when filling in their investigation forms, on the one hand put marketing problems as the most difficult. But, on the other hand when indicating the technology they wanted to study, nearly all stated planting and animal husbandry technology. The cadres also state that product marketing is a big problem, but in planning their work they only have plans for raising production levels. Here the agricultural product commodity rate is not low. For mandarins and sugarcane the figure reaches 95 percent. For paddy rice it is 40 percent. However, the state monopoly for purchase and marketing which was in force for a long period after liberation, fostered a mentality of dependence. Now, in facing the new situation, they are at a loss as to what to do. From this, we can see that since the implementation of the responsibility systems in the villages, although the peasant households exist as independent commodity producers, this does not mean that they automatically have the knowledge to deal with the market and with society.

Engaging in specialized production requires specialized knowledge, but peasants are frequently unaware of how to go about obtaining specialized knowledge. Lile District does not have any households specializing in production. A township doctor invested several thousand yuan in chicken-raising and engaged in this for 3 years, but after 2 years of losses he finally gave up. The secretary of a production team raised 15 pigs but he lost 200 yuan and has also given up. Only 20 or 30 li away, there is a very developed commune which engages in aquatic breeding, but these people have not done any study. Professor Fei Xiaotong [6316 1321 6639] said in "Native China" [xiang tu zhong guo 6763 0960 0022 0948] that life in provincial society is rich in local characteristics. At present, although the peasants already have many broad social links with the outside world, the influence of tradition is still very strong. This obstructs the interflow and popularization of knowledge. Regional life also causes the peasants to not pay much attention to information from the outside. On hearing us talk about the roads to prosperity taken by various areas, they were amazed and

it gave them new insights. We told them that these were dependable and popular methods and could be read about in the papers and heard about on the radio. They were really astonished. Nearly all the peasant families have televisions and radios. But these modern communications tools are very rarely used for receiving technical information or market news. They are only used as a means of entertainment. In developing the peasants' intellects, how to effectively utilize the existing modern tools is a problem still awaiting research. Specialized production requires the management idea of calculating costs, requires that financial knowledge be mastered, and requires market analysis and the ability to forecast. It also requires knowledge about the signing of relevant contracts and about the necessity of commodity producers adhering to state laws, and so on.

History is pushing the Chinese peasants into the position of agricultural producers who are socialized, are commodity producers, and are scientific. The position requires that the peasants acquire much more knowledge than they had to when they produced in a small-scale agricultural economy or under the "big pot" system. In the new situation, our ideas for developing the peasant's intellects are as follows:

1. We must continue to follow the Chinese-style road we have already opened up for developing rural intellectual forces, and this must be closely centered on production. We must also carry out technical education and propagate specialized technology. In combining this with the new characteristics of agricultural production, the contents must be new and substantial. We must accomplish two combinations: With respect to the propagation and popularization of production technology, we must combine planting and animal-raising technology with other specialized production technologies suited to the natural resources of the area, especially processing industry technology. Also, centering on the whole process of supply, production, and sales, we must accomplish the combination of the natural science knowledge required in production with the economic and other social science knowledge required in investment, operations, and sales.

2. We must stress the building of culture in the rural areas. We must fully utilize the beneficial situation where televisions and radios are widely owned. Broadcasting and television workers must link up with agricultural technology propagation workers and do a close investigation of the lower levels. They should link up with the reality of the villages and supply the peasants with economic information, conduct technical courses and disseminate scientific and technical accomplishments. We should change the situation where the districts and townships are without libraries, and lead the peasants to investment in knowledge.

3. We must, through many avenues, speed construction by having rural science and technology contingents with various specialists formed. It is proposed that we reform the methods of recruiting and allocating students in vocational middle schools. We must increase the number of students who are recruited for and allocated to specialized areas. In regard to funds, we can adopt the method of making the district which sends the person pay a portion and the student himself pay a portion. Agricultural vocational

middle schools must establish specialties such as management, trade, finance and accounting, agricultural product processing, storage, and so on. We must also cautiously carry out the work of selecting technicians, who are not divorced from production, from among the peasants.

4. Importing scientific knowledge into villages is not only a matter for agricultural and industrial technicians. Peasants not only need to study technology, funding, resources, consumer psychology, urban-rural relations, and so on. In this, social science workers also have an unshirkable duty. Not only should agricultural science and technology be sent down to the villages; social sciences should also be sent.

CSO: 4004/13

GREAT ACHIEVEMENTS IN ECONOMIC AND SOCIAL DEVELOPMENT IN THE 35 YEARS FOLLOWING
THE FOUNDING OF THE PRC (STATISTICAL DATA, PART XI)

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 27

[Article by State Statistical Bureau]

[Text] Status of the Development of Education, Culture and Public Health

	Unit	1949	1978	1983	Percent- age increase, 1983 over 1949	Percent- age increase, 1983 over 1978
I. Educational affairs:						
Number of students in various schools ¹	10,000 people	2,577.6	21,346.8	18,332.7	610	-14.1
--in insti- tutes of higher learning	10,000 people	11.7	85.6	120.7	930	41.0
--in spe- cialized secondary schools	10,000 people	22.9	88.9	114.3	400	28.6
--in agricul- tural secondary schools, vocational secondary schools	10,000 people	-	-	122.0	-	-
--in ordinary secondary schools	10,000 people	103.9	6,548.3	4,397.7	4,130	-32.8
--in primary schools	10,000 people	2,439.1	14,624.0	13,578.0	460	- 7.2

	Unit	1949	1978	1983	Percent- age increase, 1983 over 1949	Percent- age increase, 1983 over 1978
Number of institutes of higher learning	Units	205	598	805	290	34.6
Number of students admitted to institutes of higher learning	10,000 people	3.1	40.2	39.1	1,160	- 2.7
Number of graduates from institutes of higher learning	10,000 people	2.1	16.5	33.5	1,500	103.0
Number of students in various adult educational institutes	10,000 people	-	-	1,904.8	-	-
--number of students in higher adult educational institutes	10,000 people	-	-	112.8	-	-
--number of students in secondary adult educational institutes	10,000 people	-	-	974.8	-	-
--number of students in primary adult educational institutes	10,000 people	-	-	817.2	-	-
II. Cultural affairs:						
Number of books published	100 million copies	2.75 ²	37.74	58.04	2,010	53.8

	Unit	1949	1978	1983	Percent- age increase, 1983 over 1949	Percent- age increase, 1983 over 1978
Number of magazines published	100 million copies	0.35 ²	7.62	17.69	4,950	132.2
Number of newspapers published	100 million copies	7.98 ²	127.76	155.11	1,840	21.4
Film pro- jecting units	Units	646	115,946	162,153	25,000	39.9
Performing arts troupes	Units	1,000	3,150	3,444	240	9.3
Cultural centers	Units	896	2,748	2,946	230	7.2
Public libraries	Units	55	1,256	2,038	3,610	62.3
Broadcasting stations	Units	49	93	122	150	31.2
Main television stations	Units	-	32	52	-	62.5
III. Sports activities:						
Number of world records set	Units	-	3	18	-	500.0
Number of world championships won	Units	-	4	39	-	875.0
IV. Health affairs:						
Health personnel	10,000 people	50.5	246.4	325.3	540	32.0
--number of doctors	10,000 people	36.3	103.3	135.3	270	31.0
Number of hospital beds	10,000 beds	8.0	185.6	211.0	2,540	13.7

Notes: (1) not including technical schools and adult education.
(2) 1950.

CSO: 4004/13

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GUARD AGAINST JEALOUSY

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 28

[Article by Li Zhiyuan [2621 5268 6678]]

[Text] Responding to a query from a JINGJI RIBAO correspondent, a responsible person of the Organization Department under the central authorities mentioned that one reason intellectual elements have had difficulty in joining the party is that certain party cadres have been selfish or guilty of factionalism, and that they have been disapproving of the virtuous and jealous of ability. They have been afraid of intellectually superior people joining the party and thereby posing a threat to their own firm positions. Thus, they have deliberately made things difficult for the intellectuals. Today, our party still has people who persist in this type of behavior.

This dislike for the wise and jealousy toward the able was already present in ancient times. In the period of the Warring Kingdoms, Qu Yuan [1448 0626] complained in a poem of "the world being filthy and indiscriminating, anxious to cover up the good, resentful toward and envious of beauty," and of the maidens, "jealous of my delicate eyebrows, spreading the rumor of my being a licentious woman." During the Wei-Jin era, Li Xiaoyuan [2621 5618 6678] commented: "A beautiful tree in the forest is liable to be blown down by the wind; piles or stacks along the river bank are certain to be washed away by the stream; and if a man is overly virtuous and towers over others, people will dislike him." Han Yu [7281 1937], who lived during the Tang Dynasty, also said: "Success brings slander; the overly virtuous attracts blasphemy." In our long-standing society, jealousy is an incurable "frequently occurring disease."

People suffering from the disease of jealousy do not tolerate people of wisdom and talents. During the Tang Dynasty, Premier Li Linfu [2621 2651 3940] "made all efforts to remove from their posts those people who were more talented than himself, who were liked by the emperor, and who might well replace him," even going to the extent of murdering some of these people. Pang Juan [1663 3197] of the period of the Warring Kingdoms is another example. He was so madly jealous of the great talents of Sun Bin [1327 9141] that he subjected him to criminal punishment, "amputating his legs and branding him on the face so badly that other people could not recognize him." In the Qin Dynasty, imperial medical officer Li employed

an agent to murder Bian Que [2078 7717], who was known to have exceptional medical talent.

In our new society, talented people are the treasure of society. Broadly speaking, they now have an enormous field in which to display their talents, which was denied them in the old society. However, it should be noted that despite the notable rise in the ideological and moral standards of the people, the disease of jealousy has not been completely eradicated. Some people look at the wise and the talented not with the idea of "recommending them to the state," but with the feeling of "envying the virtuous and the talented." They themselves, though devoid of ability, feel quite at ease, but when they see other people making splendid accomplishments, they feel very uncomfortable. They nitpick in regard to other people, doing their best to slander. They even go so far as to disregard party discipline and the laws of the state, and resort to spreading slanderous rumors and making false accusations, thus forming an unfortunate situation of attacking and harming the virtuous and the talented. This disease of jealousy corrodes the great enterprise of socialist modernization.

"What we urgently need now is talented people." The four modernizations drive urgently requires a large number of virtuous and talented people. Hence, we, particularly those in leadership positions, should never treat the virtuous and the talented with the least bit of jealousy. We should heartily welcome them, give them faithful support, and, with full enthusiasm, create the conditions for them to bring their talents into full play. We should act like Chen Xiuyuan [7115 4423 7189] in treating An Zhendong [1344 2182 2639]--with a boldness "not fearful of protecting good talented people," and with the broad vision of "recommending people for a position higher than your own." Indeed, we must liberate our thinking and absorb into the party those superior intellectually superior people who have the necessary qualifications. We must criticize and educate those people who have the disease of envying the virtuous and the talented, and impose on them the punishment they richly deserve.

As for the virtuous and talented themselves, they should be brave enough to withstand the pressure caused by envy and jealousy. Before dirty rumors and malicious slander, they should stand firmly and steadily, be determined to advance to the fixed targets, and never yield to these evil winds or become pessimistic and disillusioned. Marx once said: "As for myself, I have never yielded to the so-called bias of public opinion; I still follow the motto of the great poet, Florenza: Go your way and let them speak as they wish." How nice these words are!

CSO: 4004/12

INFORMATION AND BREADTH OF VISION

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 29

[Article by Fan Kang [5400 1660]]

[Text] A responsible person of a research institute told me that a heavy concentration on a search for knowledge and technology exists in his institute and that many comrades work tirelessly, determined to achieve some results. Undoubtedly, he said, this is very encouraging, but there is still a phenomenon which people should note. This is an insufficient exchange of information. Thus, when a number of workers are researching the same topic, they separately collect the basic materials, wasting much energy. They could divide the work among themselves, supply each other with information, and be jointly benefited. But this is not the case. The people closely watch the developments outside the institute and abroad, and they separately and silently go about their work, never saying a word to each other. Out of a sense of responsibility as the organizer, this responsible person of the research institute early thought of rectifying this isolation. He advocated periodic group discussions so that everybody can sit together and discuss what each had learned from studying the Chinese and foreign materials and data and exchange information. This should have won universal approval, but, unexpectedly, there was response from very few people. As a result, these meetings could not even be held, much less put on a regular and periodic basis. According to people acquainted with the internal affairs, the main reason was that a small number of people had not been willing to share with the public what an individual had privately learned, while another group of people wished to avoid the suspicion that they had taken advantage of others' efforts. Hence, they were unwilling to attend the meetings. Their way of thinking was basically the same: information should be owned solely and not shared with others.

Progressive culture, including advanced scientific and technological knowledge, represents the cumulative results of mankind's joint efforts, generation after generation, in knowing and transforming the world. All great scientists, scholars, and artists work on the foundation laid by their ancestors, rely on the efforts and labor of people of the same generation, and thus succeed in making superb contributions. Newton once said: "If it is said that I can see afar, this is because I stand on a giant's shoulders." When we are doing our individual research work, we

cannot help but see that each and every question, each and every investigation, each and every conclusion, and each and every idea put into real application in actual practice all twinkle with the wisdom and luster of millions of people's efforts from past to present. A truly wise person does not refuse to directly or indirectly cooperate with other people (the forms of cooperation are many and diversified; of them, some offer the possibility of absorbing the information supplied by other people to stimulate inspiration), but makes full use of other people's accomplishments to achieve creative work. Isolation makes a person solitary and narrow-minded, but opening up makes it possible to choose the best from a wide field. The reasoning is as simple as that! In research work, the open information on materials, developments, and so forth is basic knowledge that everybody wants to grasp. It is clear that if there is overall cooperation to achieve the utmost with the least time and then concentrate thought on a breakthrough and on new creations we can get twice the result with half the effort. Contrarily, if everybody keeps secret the information he has obtained, then we will suffer the damages. A poor start usually does not yield good results.

An exchange of information calls for transformation of ideology and the viewpoints. Living under the socialist system, we should have even broader vision and more far-reaching views.

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THE PURPOSE OF REFORMING HIGHER EDUCATION IN ENGINEERING IS TO RAISE ITS QUALITY

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 30-33

[Article by Zhang Guangdou [1728 0342 2435]]

[Text]

I

Higher education in engineering fosters engineering and technical personnel of a high caliber to serve national economic construction. Since the founding of the PRC, under the leadership of the party, our nation's higher education in engineering has seen great development. By 1983, 1.43 million students had graduated from engineering colleges and many of these people have become backbone forces in industrial departments and in educational and scientific research departments. However, our nation's higher education in engineering still falls far short of the demands made by the four modernizations, and also in terms of comparison with higher education in engineering in the scientifically developed nations of the world.

Modern engineering science and technology is developing very swiftly, and the competition between industrial products and between engineering science and technology on the international market is intense. If our nation wants to achieve the four modernizations in order to enrich and strengthen the country, we must ensure that our industrial products and engineering science and technology have the ability to compete on the international market. If we are unable to do this, not only will we be unable to progress, but it will seriously affect the development of the national economy. In developing industry, we must depend on people qualified in engineering science and technology, and in this sense, there is an international competitiveness in higher education in engineering. The present economic reform being carried out by the state requires that we quadruple annual industrial and agricultural output value by the end of this century, that the variety and quantity of industrial products increase by a large degree, and that product quality and the level of engineering science and technology be raised rapidly. This requires even more highly qualified persons at all levels in all types of engineering science and technology. Thus, higher education in engineering must be reformed in accordance with the instruction by Deng Xiaoping that "education must be geared toward modernization, toward the world, and toward the future." We must continually raise the quality of education and

establish a high level of achievement in scientific research. This is the new situation and the new tasks facing us in higher education in engineering.

II

The guiding ideology in higher education in engineering changes with the development of industry and engineering science and technology. At the start of the industrial revolution in the 18th century, engineering education was of the form where a master would take on apprentices, and during production, he would pass on his engineering techniques. By the 19th century, the capitalist nations had gradually begun to establish engineering schools, to pass on engineering technology and to teach some basic theory. By the beginning of the 20th century, the capitalist countries had established engineering colleges on a large scale, and prior to the 1930's, they concentrated on basic theory and on expanding the technical science courses. However, the proportion of engineering technology courses was still large. It was called "all-round education" and was suited to the demands of employment. After the 1930's, following the rapid development of technology and science, the engineering colleges in the capitalist countries increased the number of basic technical courses, that is, they increased the proportion of technology and science courses. However, they still taught general engineering techniques and it was still "general education." When the Soviet Union implemented planned industrial construction, its engineering colleges had to train qualified personnel in a planned way, and specialties were established. The contents of education were aimed at the demands of future work. This was called "specialized education." In planning education, basic courses, basic technical courses and specialized courses were all stressed. The specialized courses laid stress on engineering techniques and their scope was quite narrow.

During the 1950's, the technical sciences developed very quickly. The development of industry became even more dependent on the technical sciences, and the guiding ideas in engineering education changed in accordance with this. Countries generally now stress basic education courses and have especially strengthened basic technical courses. For specialized knowledge, including engineering techniques, it is necessary after graduation to go to industrial enterprises where there is planned technical training and on-the-job training. Some schools have set up specialized courses, mainly to teach specialized theory and basic engineering techniques. They teach students how to utilize basic theory in resolving engineering problems, and stress methodology. The engineering colleges in the Soviet Union still have specialties, but the specialties have expanded and there has been an increase in the proportion of technical science courses. The famous engineering colleges in industrially developed countries greatly stress scientific research, and train large numbers of research students. This has played a great role in raising the quality of education, in raising the academic level and scientific research capability of the colleges, and in increasing the number of achievements in scientific research.

Prior to liberation, our nation's engineering colleges mainly followed the American "general education." After the founding of new China, they

followed the Soviet Union's "specialized education," and this was the correct way to train the qualified personnel urgently needed for industrial construction. In the 1960's, we did not change engineering courses to accord with the development of science and technology in the world. Rather, we one-sidedly stressed that they had to accord with the industrial division of labor, leading to the specialties becoming more divided and more specialized. This resulted in the educational contents becoming too narrow. For a period, we stressed production labor and paid little attention to systematic education in basic theory and technical sciences. This affected the raising of the quality of trained personnel. During the decade of turmoil, higher education in engineering suffered great setbacks. After the smashing of the "gang of four," the engineering colleges recovered very quickly, and education progressed in a planned way. But, in general, it still was not free of the influence of the Soviet Union's higher education in engineering of the 1950's. At the same time, it weakened the practical links and produced the tendency for insufficient attention to be paid to linking theory with practice. Now, we stress that it is necessary to grasp the two key points of education through engineering colleges and scientific research. These are important measures in training qualified engineering personnel who are of high quality and who suit the needs of the four modernizations. The 3d Plenary Session of the 12th CPC Central Committee has made a decision on the reform of the economic structure, and our nation's socialist modernization will inevitably see great development. In this situation, it is imperative that higher education in engineering be reformed.

The reform of our nation's higher education in engineering must proceed from reality and must accord with our nation's actual conditions. We must catch up with the development of the world's engineering technology, and welcome the challenge of the new technological revolution. Our nation has an advantageous socialist system and the economy has planned guidance. The training of qualified personnel should also be carried out in a planned way. Traditional industry is the industrial base of the national economy. The industrially developed countries also pay great attention to this. Thus, our nation's engineering colleges must greatly strengthen those specialties related to the traditional industries, and renew the contents of educational courses so as to prepare well for the transformation of traditional industry through new technology. At the same time, we must increase the number of industrial specialties and train people in these.

The aim of educational reform is to raise the quality of education and produce qualified personnel of a high standard. Thus, in the reform, we must pay attention to the following several points.

1. Strengthening ideological and political education. From my many years of experience, I know that in training qualified people to assist in modernization, ideological and moral education is extremely important. At present, we must train students to firmly adhere to the four basic principles, to have a patriotic and communist ideology and morality, and to have the aspiration and the will to invigorate China. We must also train them to have the spirit of struggle and be strictly organized and

disciplined, as this will be beneficial to collective coordination. We must help students realize that industrial construction is arduous, and that they must be resolved to work in the front line of production. Thus, we must guide the students in seriously studying Marxism-Leninism-Mao Zedong Thought, in studying the principles and policies of the party Central Committee, and in studying philosophy, history, economics, and literature. The educational plans must have courses in ideological and political education and must improve the contents and methods of education. We must ensure that ideological and political education permeates to every segment of education, to extracurricular activities, and to every aspect of the colleges' work. We must train qualified people who are both Red and expert. If they are Red but not expert, it will not be enough. If they are expert but not Red, it will also be unsatisfactory.

Some comrades believe that the engineering colleges in capitalist countries only teach vocational knowledge, and that they pay no attention to ideology or politics. This does not conform with facts. In my understanding, they pay great attention to ideological and political education. In the educational plans, humanities courses occupy about 15 percent of total courses. The educational courses and extracurricular activities are all imbued with bourgeois ideology and politics.

2. It is essential to link theory with practice. Comrade Mao Zedong in "On Practice" repeatedly expounded that "knowledge begins with practice, and theoretical knowledge which is acquired through practice must then return to practice." Engineering colleges must stress the study of theory. This is the scientific summary of what our predecessors found in practice. However, so that students can study theory even better, we must organize them to do well in the first set of practical links, including experiments, field trips, course design, and graduate design. Thus, they will gradually learn how to utilize theory in solving practical problems.

Some engineering colleges in capitalist countries pay great attention to linking theory with practice. Some engineering colleges take the linking of theory with practice as the primary concept in their guiding ideology, and in their course plans they include many practical programs. Some countries encourage students to participate in production labor during their holidays. After graduation, they encourage them to undertake technical training in industrial enterprises, so that they can study specialized engineering techniques and the use of theory in resolving actual problems in engineering. In this way, they can also study industrial management and industrial economic and production organization.

Ours is a socialist nation. The engineering students we train will, after graduating, all participate in the cause of building socialist modernization. Thus it is even more important that we stress the proper arrangement of the relationship between theory and practice, and that we link them together more closely. The theoretical base must be strong (the most important aspects are mathematics, physics, and chemistry. The courses must be modern and practical). At the same time, it is also necessary to greatly strengthen basic technical courses, that is technical science courses. The

content of specialized engineering technology is too broad, the development is too swift, and this technology swiftly becomes obsolete. The specialized courses should not be too specialized. They should mainly concentrate on specialized theory and basic engineering technology. Methodology should also be stressed so that inferences about other cases can be drawn from a single instance. Thus these courses will provide a good rudimentary education in preparation for starting work. In all these courses, it is necessary to pay attention to the practical links, and stress the fostering of the student's ability to go to work and link theory with practice. We must recognize that linking theory with practice is not an easy thing. It is a creative process. At present, our nation's industrial enterprises have no plans for training students who have graduated from engineering colleges. Thus, it is even more necessary that, while in college, the students study specialized courses and grasp practice well.

3. Expanding the range of knowledge. Modern science and technology is developing in the direction of synthesis. All engineering specialties are related to the broadening of the range of knowledge. Thus, we must expand the range of specialties and broaden the theoretical base and knowledge about the most basic engineering technology. In the engineering colleges of the industrially advanced nations, the first-year and second-year courses of all departments are about the same. They are mainly basic courses and technical science courses. In the third year, they divide up into departments. Each department has courses in its own technical sciences, but the departments' courses are basically similar. In the fourth year, the students take their elective courses and they study more specialized technical courses. The expansion of the range of knowledge is thus the inevitable result of the development of industry and the progress of science and technology. Doing things in this way has many advantages. First, all disciplines have common patterns and can inspire each other. If one discipline makes a breakthrough, this can be used by the other disciplines as reference. Second, if the range of knowledge is broadened, the knowledge of the peripheral disciplines can also develop. Third, while engineers and scientific research workers must have a major discipline, they cannot just have a single discipline. They must have the knowledge of many disciplines. Fourth, the expansion of knowledge will be of convenience in employment.

Our nation's higher education in engineering must establish relevant specialties on the basis of the development of industry. Educational plans must also be aimed at specialized needs. However, we must expand the range of knowledge and especially expand technical and science courses. Apart from setting up backbone courses, we must also set up associated courses. Within engineering colleges, in the initial years the courses should be basically similar in each department. In the middle years, the specialized courses of the individual departments should also have many similarities. Only in the senior years should the various specialized courses be different. The students' knowledge should be broadened and they should also have certain specialized knowledge. In this way they will have greater adaptability and creativity.

4. Fostering students' abilities and creativity. It is necessary to promote inspirational education to replace education by inculcation. We must lead the students in gaining the initiative to study and actively foster the students' abilities and creativity. It is most important that we cultivate their ability to study independently. Knowledge has no limits and the students are only gaining a base through their study at college. They will need to continue to study and increase their knowledge through working. Thus, the teachers will need to be good at providing the students with the ability to study independently, so that after graduation they will have the ability to expand and renew their knowledge themselves. The sort of education where teachers spoonfeed the students so that they can just recite from memory is disadvantageous to fostering the students' abilities. In addition, educated in this way, the students do not even learn the classroom book knowledge well. This sort of education must be changed. Also, in bringing abilities into play, students must learn to independently prepare experimental equipment and carry out experiments. They must set to work themselves, carry out calculations, examine data, and carry out planning and scientific research. Because our country's social and technological conditions are not equal to those of the industrially developed nations, it is of particular importance that we foster the students' ability to set to work and foster their creative spirit. This will be a source in finding ways to resolve complicated engineering problems and in developing new theories, new techniques, new methods, new materials, new technology, and new products.

The fostering of abilities and creativity and the changing of education by inculcation into education by inspiration must be put into effect in every educational link. This is a formidable task. On the one hand, the students must adapt to this method of education and must foster the habits of diligence, independent thoughts and a fondness for getting down to work. On the other hand, the teachers must raise the level of education, teach in a more concise way and take pains to understand the situation under which the students study. They should teach students in accordance with their individual aptitudes and in this regard, carry out inspirational guidance work. In addition, they should make serious and careful preparations and provide necessary guidance in regard to the students' independent study materials, reference materials, experiments, designs, and field work. The participation by senior students in scientific research work is beneficial to the fostering of their abilities and creativity. Teachers should do well in organizing and guiding this work.

III

Our nation's industrial construction requires engineering and technical personnel of a high caliber. These people must have broad knowledge and have many specialties. In order to motivate enthusiasm in all fields and produce many highly qualified people, we must have diversified forms of education. Higher-education engineering colleges should be organized on a planned national basis. The superiorities of each college should be brought into play and each should be run on the basis of its own characteristics.

At present, higher education in engineering is divided into different levels. There are doctoral research students, masters research students, college undergraduates, and students of tertiary vocational schools. Each level has its own training goals and needs. Research students are generally recruited from college graduates and stress is placed on fostering their abilities in scientific research, and on expanding and deepening their technical, scientific, and specialized knowledge. Most research students after graduation should go to work in the production departments as engineers who take on tasks independently, develop their work, and resolve difficult engineering problems. Those who go into educational and scientific research departments to work should gradually become professors or researchers who are able to take on tasks independently, carry out useful research, and develop their work. Of course, professors must first do well in their teaching. But, looking at the immediate future, many of our nation's research students upon graduation should go to the educational and scientific research departments to work. Thus, we should pay special attention to linking theory with practice and increasing production knowledge. If engineering research students are recruited from those undergraduates who after graduation have worked for 2 years or more, it will be beneficial to linking theory with practice, and gearing scientific research toward economic construction. One thing which deserves our attention is that at present, many undergraduate students, in order to prepare for the graduate student entrance examinations, are studying the contents of research students' courses in their undergraduate years. They slacken their attention in studying and doing practical work for their undergraduate courses. This not only reduces the quality of the undergraduate education, but also has a bad influence on the quality of research students.

Most undergraduates, upon graduation, should go to production departments and become engineers who independently take on tasks, resolve difficult engineering problems, and carry out work in industrial development. Undergraduate courses in colleges may have different standards. Some stress engineering technology while others equally stress engineering technology and technical sciences. The specific standards they are trained to differ, and thus there will be differences in criteria and what is required of them. We must not stress uniformity.

Most students of tertiary-level vocational schools upon graduation should go to production departments to work, to become technicians who independently take on tasks (in other countries they are called technical engineers, but at present our nation does not use this title). They should creatively shoulder the day-to-day tasks of production.

Each of the above levels has its own standards and tasks which it should undertake. At present the ratios between higher-education engineering graduates and graduates from vocational colleges, and between students graduating from engineering colleges and those from vocational middle-schools are not rational. There are too few graduates from tertiary-level vocational colleges and vocational middle-schools. This results in many graduates from engineering colleges doing work which could have been done by graduates from vocational middle-schools. This is a great waste. It is

hoped that the overall engineering education structure can be swiftly readjusted. Apart from continuing to steadily raise the number of college undergraduate students, we must further increase the number of students in vocational middle-schools and tertiary-level vocational colleges.

There are many aspects of higher education in engineering which need reforming or improving. Here I have only given my views on a few major problems. I hope they are of assistance in stimulating everyone's ideas so that together we can find the best methods of reform.

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TOWARD A NEW HEIGHT

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[Article by Huo Maozheng [7202 2021 1767]]

[Text] I have worked in primary education for over 40 years and have taught and trained thousands of students. Frequently, former students have returned to the school to visit me. At the time they left school, they were still wearing red scarves. When they returned, they were middle-aged, good looking, and had a heroic bearing. They talked enthusiastically about their former school days, showing that they have very good memories. Sometimes they could recall even a minute arithmetic problem from their school days or a special day of excitement for their squadron. With great emotion, they talked about their current work and their various contributions to the state. A former student who is now a doctor said to me: "In my college days and since I started working, I have ascribed many of my good practices and habits to your good teaching!" Another former student who had returned from abroad, a scientific worker, said: "The main reason I could complete my studies smoothly was that in my primary school days I had built a solid foundation and had learned the correct method to study. The methods you taught me for how to read and learn from extracurricular books, I am now teaching my students." Still another said: "In our school days you taught us to establish far-reaching ideals and to plant in our minds the idea of offering ourselves to the fatherland and constantly striving. Now that I have grown older, the seed has sprouted, and despite some 10 years of disturbances in which my family suffered heavy blows and I experienced many trials, the faith and confidence you instilled in my mind has sustained me in my struggle." The year before last, some 30 students from the 1960's came to see me as a group, each reporting on his accomplishments at his respective post.

To me, these incidents represent a kind of superb reward. This is because they are the result of what the children felt and experienced in mind and soul throughout their lives so far. When I received an award from the party and the state, I felt stimulated and encouraged. But when I received the award and affirmation from students I had taught and nurtured, I felt a sort of happiness which defied description. Isn't this the best reward for one's efforts?

The 12th National Party Congress made education and science one of the three strategic priorities in socialist economic construction. Middle and primary school education is the foundation of the whole educational system. Mount Everest can always stand unchallenged in the Himalayas, but if the quality of middle and primary school education is not improved, to improve the quality of higher education will be difficult. It can well be imagined that if defects and errors are found in primary education, the progress of the whole educational system, and even of economic construction and ideological construction, will be greatly affected! Comrade Deng Xiaoping, in his inscription for the Jing Shan middle school, thus pointed out: "Education must have its face toward modernization, toward the world, and toward the future." This reveals the utmost concern of the party Central Committee in regard to middle and primary school education. Within the new world technological revolution, it also represents a further disclosure of the party's educational guideline. It sets an unprecedentedly high standard. In the face of such a situation, we must make even stronger demands on our own work. We should firmly resolve to devote full and utmost efforts in accordance with the party's educational guideline, to the work of training and teaching children to become new socialist people who have an overall development in morality, intellect, and physique.

Over the past several decades, all along I have believed that education in regard to children's ideas and morals is one of the central tasks of primary education. In the new era and under the new conditions, we should first take the three directions Deng pointed out as the yardstick to readjust the contents of moral education. From now to the end of this century, a brand-new situation will appear in socialist construction in our country. We must accept the challenge of the new world technological revolution and follow the strategic guidelines of opening to the outside and enlivening the domestic economy. At the moment, our countryside and cities and towns are carrying out excessively intense and overall reforms. Following this, our children will naturally be thrown into a social environment which is rich and colorful but also more complex. Their vision will be more broad. They will be able to see not only certain good and healthy things, but also certain things which are, in fact, bad. They will have many complex thoughts. All of this is normal. It is not possible for children to continuously live in a unilateral environment or to always depend on us to help them judge good and bad. In a social environment filled with numerous and complicated things, they should have the capacity to differentiate between truth and fiction, good and bad, beautiful and ugly. It is only by training them to resist erroneous thinking and acts that we can make them truly establish communist ideas and communist morals. The primary school students of today are the main forces for future socialist construction. This historical mission of theirs requires them to have an even higher moral caliber, to have broader vision, to be firm and unyielding, to strive hard for gains in business, to be broadminded and tolerant in treating comrades and warm-hearted and friendly to friends, and to be full of confidence in life. In them, we can see the initial form of the new people of communism. No doubt this will add to the difficulties in normal education. As a result, even with our past successful experiences, some are not totally suitable and some are even totally unsuitable. At the same time, under the

new situation, how to effectively carry out patriotic education, collective education, labor education, education of the will, and so on demands that each and every teacher maintain a sense of loyalty to our profession and warm love for the children, and arduously investigate, learn, and practice.

Primary education is foundation building. In a sense, whether or not education as a whole can succeed depends first of all on whether or not primary education can achieve a breakthrough. And what is the breakthrough? It is breaking through irrational teaching ideas, breaking through unscientific teaching methods, and breaking through the contents, structure, and volume of knowledge which do not conform with the demands of the era. In recent years in primary school education, there has existed the phenomenon of the students bearing too heavy a work load. On the surface, this appears to be the result of seeking a high rate of promotion to a higher school and striving for better examination results. In reality, it may be the result of a conflict between the contents and structure of new knowledge and the old teaching methods. It has increased in quantity, intensity, and volume and the old teaching methods are still in use, naturally the time required to learn it is lengthened and the work load increased. The teaching method of imbuing the students with knowledge principally involves the memory power of the students. If in the classrooms we can arouse the memory power of the students along with their imagination and understanding, induce them to take part in various activities of a more vivacious nature, help the children to be more aggressive and to digest the knowledge gained in the classroom, dissolve the unilateral and machinelike remembering and practices in the various activities of the students and in the understanding and associating activities that are going on all the time, then the children's interest can be increased and their work load lightened. A student who returned told me: The learning and studying results of Chinese students are always in the lead, but the ability to be creative and actually solve problems is not high. This astonishes me. Does it reflect a weak point in our teaching? In our teaching, we have overemphasized the student's grasp of the knowledge imbued by the teacher and overlooked training the student's ability and creative nature. We have overstressed the importance of the students learning several articles and several poems and overlooked the defects and insufficiency of their learning power. Precisely because of this, we have frequently become self-impressed and pleased with the relatively good records of a class of students and have not been able or have not dared to encourage and develop the "individual ability" of the students. I am afraid that methods of this kind do not conform with the needs of the four modernizations. Likewise, in intellectual education, we should take "the directions" as the starting point for readjusting our teaching ideology, truly realizing that our educational work is not to unilaterally seek a good rate of promotion to a higher school, not for the sake of surface decoration, but to realize the objective of training talented people for the four modernizations. This is a solid target; there should not be the least bit of falsehood. Over the past several decades, I have always exhorted the students as follows: Learn real ability and do not be a slave to examination records. Now I always secretly exhort myself: Do not become a slave to examination marks but train the next generation to be truly talented. Naturally, the children must have a healthy physique

and spirit, such as of our women's volleyball team, which does not fear difficulties but arduously struggles to advance. They must have higher goals of appreciating beautiful and progressive ideas. All these make up the indispensable moral character for the new generation under socialism. It is hardly necessary to say that we need to be concerned with them and to give them due attention.

Teaching children is a lofty and arduous undertaking and is also an attractive enterprise. I have been a primary school teacher for over 40 years. If there would be a new choice for a profession before me, my selection would still be that of a primary school teacher.

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ORGANIZATIONAL WORK SHOULD ALSO 'CHANGE ITS TRACK AND FORM'

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 36-37

[Article by Gu Azhao [7357 7093 2600]]

[Text] Our organizational work must be subordinate to and serve the building of the four modernizations and cope with the demands of the reform of the economic structure. In order to better equip and build well the leadership groups of the enterprises, it is necessary to be realistic, conduct surveys and investigations, master the new situation, study the new problems, and "change the track and form" as far as cultivation and selection of cadres is concerned.

In view of the situation of the Beijing first light industrial system, "changing the track" of our organizational work involves the following aspects:

First, it is necessary to change from the practice of just the leaders selecting talented people to one of mobilizing the masses to recommend talented people. For a long time in the past, our selection of cadres and readjustment of leadership groups was based only on the recommendations of a few leaders, approval by the organizational departments, and the decision of the party committee after discussion. This practice limited the number of talented people selected and brought about one-sided understanding of people, and usually the personnel selected only suited the "taste" of certain leaders and might not meet the work demands. Over the last 2 years, in the course of readjusting leadership groups, we have extensively sought the masses' opinion by holding seminars, conducting opinion polls, establishing suggestion boxes, seeking individual opinions, and so on. In this way, we were able to more comprehensively and deeply understand the cadres. With such a foundation, we were able to more accurately select talented people and the mass foundation became more favorable. It is also easier to settle contentions over promoting individual members of the leadership group that arise.

Second, it is necessary to change from selecting talented people from the surface level to selecting them from further down. This means two things: On the one hand, since the leadership groups have been incessantly readjusted over the last few years, the talented people who were spotted and cultivated

by the leaders have already assumed leadership posts and it is necessary to go deep down in the masses to "search for valuables" in order to discover new talented people. On the other hand, the central task at present is to promote economic construction and a huge number of talented people are in the frontline promoting production and management, handling specific work, and solving practical problems. Thus, the organizational departments will not be able to find a large number of talented people if they do not go deep down to the grassroots levels and the masses. Some of our enterprises are, on the one hand, short of talented people and, on the other hand, are unable to find them; except for certain objective reasons in certain units, the major reason for this is that they have not changed from selecting talented people from the surface level to selecting them from deeper down.

Third, it is necessary to change from understanding the "static situation" to understanding the "active situation." In the past, when we carried out political investigations of cadres, we only paid attention to their family background, their personalities, their social relations, and historical materials. In future, we must pay attention to the cadres' actual performance, their ideological level, professional knowledge, and their potential and must particularly examine the cadres' achievements in their daily work. The "actual achievements" should be the major criterion in assessing an individual cadre. In our opinion, this is a natural and necessary change in organizational work under the circumstances that class struggle is no longer the major contradiction.

The so-called "changing form" means changing from selecting experienced and administrative-oriented cadres to selecting business-oriented cadres and those with great potential. Owing to historical factors, there are, at present, a relatively large number of experienced and administrative-oriented cadres in our Beijing first light industrial system, and the number of business-oriented cadres and those with great potential is small. It will be impossible for the enterprises to meet challenges, to meet the challenge of the new technical revolution, to promote business, to push forward technical advances, or to open up new prospects in light industry if there is the absence of a large group of business-oriented cadres and cadres who have great potentials. Thus, how to be familiar with economics and how to explore potential is a question of great significance to the comrades of the organizational department. We can say in a certain sense that if we lack the ideology to explore potential, we will be unable to select cadres with great potential; and if the cadre force remains "unchanged," it is hard to anticipate a "change of form" in the enterprises.

In order to achieve "the change of form and track" in organizational work, it is necessary that the leaders and comrade workers of the organizational departments make a great change in their guiding ideology, work style, work approaches, and so on. With the present appointment and the building of the leadership groups in mind, it is necessary to attach importance to studying and handling the following questions:

First, we must consider the present needs and better still lay stress on long-term goals, and boldly allow young and middle-aged intellectuals to

assume leading posts. We cannot afford to wait until the cadres have become mature and should encourage them to mature gradually in their work. It is particularly necessary to stress at present that barriers are removed in regard to age in the leadership groups. Not allowing young and middle-aged cadres to assume key posts and only allowing them to take up minor jobs will only cause them to rely on the old comrades and will be detrimental to the growth of the new cadres and to their accumulation of leadership experience. Simultaneously, due to the fact that it is the old comrades who hold the major leading posts, the leadership group is bound to be readjusted frequently causing instability in the leadership groups.

Second, we must raise the cultural standard of the leadership groups and pay attention to a rational intelligence structure. In order to properly lead an enterprise, we have to depend not only on a certain kind of talent, but we need concerted efforts of various kinds of talents which form a rational structure. A leadership group must be composed of talented people specializing in management, production techniques, labor and wages, political work, and so on so that members can supplement each other and raise the leadership's ability as a whole. In view of the present situation, we are seriously short of people with management skills and those who are skilled in handling ideological and political work in the new period.

Third, in the course of selecting cadres with both integrity and talent, we must not ignore cadres who have prominent abilities and obvious shortcomings. This is a very important aspect of providing opportunities for talent. "To err is human," there is no perfect man in the world, and we must refrain from thinking that having certain shortcomings means lacking "integrity." We must boldly make use of those who are willing to contribute to the building of the four modernizations and are able to promote the business of the enterprises even though they may have minor shortcomings. Otherwise, we will be wasting their talent and intelligence. Naturally, when we use such cadres we will be taking some risks and are subject to criticisms. However, if we fully trust such cadres by boldly using them, and at the same time, set strict demands and enthusiastically assist them, this will be beneficial to the party's cause and conducive to the growth of the cadres themselves. All our leaders at various levels and cadres in organizational departments must have such a feeling for talented people, the enthusiasm to cultivate them, and the courage to protect them.

Fourth, we must attach importance to academic qualifications, abilities, and organizational and leadership abilities. Academic qualifications are an important indicator of cultural standards and standards of professional knowledge. We were wrong in the past to ignore this point. Nevertheless, academic qualifications are not the sole criterion for assessing cultural standards, professional knowledge, and actual abilities. In our enterprises, there are a lot of "able persons" who have acquired their knowledge by self-study. After making arduous efforts in work and study for numerous years and accumulating rich experiences, their cultural standard and standard of professional knowledge is equivalent to that of a post-secondary discrimination against these comrades is not only a loss but will lead to the blind pursuit of one-sidedly seeking academic certificates. In order to adhere to

the ideological line of seeking truth from facts as far as the cadre question is concerned, we should boldly promote and use intellectuals and must also pay attention to promoting fine cadres who have acquired their knowledge by self-study.

Fifth, it is necessary to boldly use young and middle-aged intellectuals who have been selected for the leadership groups, and continue to cultivate, educate, and promote them. Owing to the complexity, changeability, competitiveness and completeness of modern large-scale production, it is inadequate to rely on the experience and wisdom of an individual leader. Also, we will be unable to cope with new demands if we rely only on existing knowledge, paying no attention at all to promoting and acquiring new knowledge. As far as the majority of young and middle-aged cadres who have been promoted to the leadership group is concerned, some of them are still fresh politically, and there are certain weaknesses and shortcomings in their ways of thinking and work style. They should, with the assistance of the veteran comrades, seriously study, spontaneously promote cultivation, enhance party spirit, adhere to the party's fine traditions and be good examples for the masses. Secondly, most of them are engineering and technical personnel and many of them are technically oriented. They need to be cultivated in order to improve their management abilities, analytical abilities, and organizational and leadership abilities. Thus, after readjusting the leadership groups, we must strengthen building them and treat cultivation of new cadres and acquisition of new knowledge as the urgent tasks of leaders at all levels and organizational departments. Thus, we will be able to improve the quality of each leadership group member as well as the leadership standard of the whole leadership group.

CSO: 4004/13

THE CRUX OF THE MIDDLE EAST ISSUE

Beijing RED FLAG in Chinese No 24, 1 Dec 84 pp 38-41

[Article by Wan Guang [8001 0342]]

[Text] The Middle East is a center of turbulence and a focus of world attention. During the 30-odd years since World War II, clashes in the Middle East have continued and wars have never ceased there. Though conflicts have alternately emerged in other areas in the world, the Middle East has almost always been a very explosive flash point. We can say that this is the most sensitive and complicated area in the world and a change in the situation there often has an impact on the situation of the entire world.

Why is the situation so turbulent in the Middle East? How should we analyze the intricate contradictions in the Middle East? What attitude should we adopt toward the current situation in the Arab world and the Arab national forces? How can the Middle East issue be justly solved? These are all questions that people are concerned about.

Strategic Importance of the Middle East

The Middle East is an area that links Asia, Africa, and Europe and has been a trading center between East and West since ancient times. Since the Suez Canal was built in the 19th century, the area has provided a shortcut for sea travel between the Atlantic Ocean and the Mediterranean Sea, and the Indian and Pacific Oceans. The Middle East has thus become an important strategic passageway and strategic communications hub.

In the long course of history, for all the conquerors who tried to establish a world empire, the Middle East has been an area they had to seize whether they wanted to expand to the east or to the west. Empires ranging from Persia to that of Alexander the Great and the Roman Empire all fought wars in the Middle East. After the founding of the Arab empire the European Crusaders made expeditions to the Middle East and the Mongolians made a long-distance expedition to the Middle East. After the Ottoman Empire took over the rule of the Middle East, British and French imperialists tried to divide the area up. During World War I, British and other imperialists seized the Middle East. During World War II, German imperialists also attempted to seize the Middle East.

Since the end of World War II, the strategic importance of the Middle East has become even greater.

The Middle East has become the area with the most abundant oil output in the world and the major oil supplier for the West. It has over 50 percent of the known oil deposits in the world. Despite the increase in the oil output in other areas in the world during the past few years, in 1983, the oil output of the Middle East still accounted for about one-quarter of the world oil output, and its oil exports ranked the first in the world. In 1983, about two-thirds of the oil consumed by Japan and about one-third of the oil consumed by the EEC was imported from the Gulf area.

The Middle East has also become a market in which many other countries in the world have been competing. During the 10 years from 1970-1979, the import volume of the 12 Arab countries around the Gulf and the Red Sea rose from \$4 to \$70.7 billion, a more than 16-fold increase. Although, since the beginning of the 1980's, there has been a greater supply of oil than the demand in the world market, the price of oil has dropped, and the income of Arab oil-producing countries has decreased, the import potential of these countries is still very great. The total imports of Saudi Arabia rose from \$24.25 billion in 1979 to \$40.65 billion in 1982.

The Middle East is also an important arms market. According to statistics, in 1982 and 1983, the Middle East countries purchased half of the weapons that were exported in the world.

The huge amount of funds in the hands of the Middle East oil-producing countries have attracted world attention. It is estimated that in 1982, investments by Arab oil-producing countries in the outside world totaled over \$400 billion. In 1983, Gulf oil-producing countries had deposits of about \$350 billion in Western banks.

The strategic area of the scramble for world hegemony by the two superpowers the United States and the Soviet Union is Europe, while the Middle East is also a focus of their fierce contest.

In the global strategy of the United States, the Middle East is an area of "strategic priority" that is second only to North America and Western Europe in its importance. The oil and strategic passway of the Middle East is regarded as the "lifeline" for the West. The Middle East flanks Europe and is an important area that links Europe and the Mediterranean with the Indian and Pacific Oceans in the strategic deployment of the United States. Through the Middle East, the United States can directly threaten the hinterland of the Soviet Union.

The Soviet Union regards the Middle East as its "backyard," and thinks that if it can control the strategic passage way and the oil tap in the Middle East, it will be able to put the West in a dangerous position. It also wants to combine its deployment in the Middle East and Europe with what it is doing in strengthening its deployment in Asia and the Pacific Ocean.

At present, the United States and the Soviet Union are deadlocked in Europe, but they have not clearly divided up their spheres of influence in the Middle East. They are now exploiting and aggravating the various kinds of contradictions and turbulence in the Middle East and are continuing to change the balance of their strength there in order to obtain a strategic superiority.

Conflicts Between Arab Countries and Israel Intertwined With the Scramble for Hegemony Between the Two Hegemonist Countries

Among the important complicated contradictions in the Middle East area, a dominant contradiction is that between the Arab nation and the Israeli expansionists supported by the United States.

In history, Jews have had the experience of being persecuted and massacred and of being homeless. However, imperialists have supported Jews in moving continuously into Palestine and have stirred up clashes between the different nations there in order to achieve the aim of dividing and ruling them. Moreover, the Jewish ruling clique has implemented a policy of expansion and persecution. Since the founding of Israel, there have been five wars between Egypt and Israel in the Middle East. The first was the Egyptian-Israeli war in 1948. In 1956, Israel joined Britain and France in invading Egypt and suffered failure. In the 1967 war, Israel occupied large stretches of territory in Arab countries. After the war of 1973, Israel signed a peace agreement with Egypt in 1979 and agreed to withdraw from the Sinai peninsula. In 1983, Israel raided the Iraqi nuclear installation and in 1982, it launched a war to invade Lebanon. Now, of the nearly 5 million Palestinian people, 40 percent are suffering cruel suppression under Israeli occupation and 60 percent are wandering destitute in other areas. Israel has continued to occupy Syria's Golan Heights and Lebanese territory. The Israeli authorities have also refused to recognize the national rights of the Palestinian people, or to justly solve the Palestinian and Middle East issues. It has also drawn up a "Grand Israel" expansionist plan for the 1980's aiming its attack at Arab countries. Everywhere in the Arab world, the strong national feelings of the Palestinian and Arab peoples in opposing Israeli expansionism are evident. Since the war in Lebanon broke out, Israel has been bogged down in an economic crisis and political turbulence. Its domestic situation has changed and a mass campaign against the expansionist war has emerged. Though there have been government reshuffles, Israel has persisted in carrying out expansionist and oppressive policies. The contradiction between the Arab world and Israel continues to sharpen.

The contradiction between the Arab world and Israel is intertwined with the scramble for hegemony between the United States and the Soviet Union.

Since World War II, the United States has replaced Britain and France in the Middle East step by step. The year after Britain, France and Israel were defeated in their 1956 war of aggression against Egypt, the United States announced its "Eisenhowerism" that was aimed at ruling the Middle East. In 1958, it directly sent an army to invade Lebanon, but was defeated. During its expansion in the Middle East, it relied upon Israel. First, in 1948, it recognized Israel and helped it in the war. In the wars in 1967, 1973,

and 1982, it also helped Israel. It has given Israel large amounts of military and economic aid. Even now, the United States has continued to refuse to recognize the national rights of the Palestinian people. In order to scramble for a position in the Middle East with the Soviet Union, and take the Arab countries into its own sphere of influence, the United States has applied the means of "peace talks" in addition to military means.

Compared with the Soviet Union, the United States has a better hand of cards in the Middle East. It has better military, economic, and technological strength for its expansion there. It is a country that is able to exert its influence on Israeli authorities. However, it has a fundamental weak point, namely, its policy to side with and support Israel, which has roused the indignation of the Arab world.

The Soviet Union has exploited the clashes between Arab countries and Israel and between them and the United States. It struck the banner of "supporting the struggle of the Arab people," and began to infiltrate into the Middle East in the mid-1950's. In particular, since the war in 1967, the Soviet Union has expanded its influence on a large scale. In the 1970's, the Soviet Union suffered a series of losses in the Arab world. At the end of 1979, the Soviet Union occupied Afghanistan and intensified its threat to the Middle East. Since 1982, the Soviet Union has again been on the offensive in the Middle East.

The Soviet Union is situated near the Middle East and has influence and an impact on the Middle East. However, it also has its fundamental weak point. It does not really help the Arab world resist the United States and Israel, but wants to profit by the setbacks and difficulties suffered by the Arabs. What it did in the wars between the Arab countries and Israel in 1967, 1973, and 1982 has fully shown this. It does not have such a sound footing in the Middle East. It has been able to sell some weapons to Arab countries, but it cannot satisfy their economic and technological needs. The various practices of the Soviet Union in scrambling for hegemony in the Middle East have remained fresh in the memory of the Arab people. Therefore, though some Arab countries hope to rely on the help of the Soviet Union to resist the United States, they keep a wary eye on it.

The United States and the Soviet Union each have their own strong and weak points in the Middle East. Their contention in the Middle East seesaws and each of them has alternately been in an offensive and defensive position. However, whichever of the two gains the upper hand, it is Arab countries who are the first to suffer.

As Arab countries lose confidence in the United States and the Soviet Union day by day, countries in Western Europe and other areas are vigorously entering the Middle East. At present, West European countries have adopted a policy toward the conflicts between the Arab countries and Israel that is different from that of the United States and that is closer to the stand of Arab countries. They are developing economic, political, and military relations with Arab countries. This is of a positive significance for Arab countries in developing multilateral relations and restricting the scramble

between the two hegemonist countries. However, Western countries can only play a limited role in the Middle East.

The Heavy Burdens and Strength of Arab Nation

The Arab nation of the vast land of the Middle East has made magnificent contributions to the civilization of the human race. They established an Arab empire that stretched over Asia, Africa, and Europe. However, throughout much of history, Arab people continued to suffer from external aggression, control, and oppression and they have bravely resisted one aggressor and oppressor after another. The Arab nation is a nation with a glorious tradition of struggle against external rule.

In modern and contemporary histories, imperialists, superpowers, and Israeli expansionists oppressed the Arab people in succession and caused the Arab nation to suffer much misery. In their continuous resistance, the Arab people have made major national sacrifices. The struggle of the Arab nation is an important part of the struggle of the Third World against imperialism and hegemonism, and for independence.

Through their struggle against imperialism, the people of the various Arab new graph countries have won their national independence. In 1956, the Egyptian people defeated British, French and Israeli aggressors with the support of Arab and world people. During the 1950's, the U.S. "Eisenhower" act of sending troops to Lebanon ended in failure. During the initial period of the war in 1973, the Arab countries united as one and achieved victory in fighting back against Israeli aggressors. During the 1973 war, the Arab oil-producing countries began their oil struggle and dealt a heavy blow to the old international order. During the 1970's, 17,000 Soviet military personnel were told to leave Egypt and Egypt and Somali abrogated their treaties with the Soviet Union. During the 1980's, the United States suffered setbacks in the Middle East and its Marine Corps was forced to leave Beirut. History has proved that if the Arab world unites as one and carries out the struggle jointly, it will be able to form a tremendously powerful force to defeat its enemy.

However, during the past few years, the Arab world has been divided. This situation has been caused by diverse factors. The imperialists have already adopted the strategy of dividing the Middle East in order to rule it. They have also left behind the seeds of many disputes and clashes inside the Arab world. In particular, since the Arab world showed its strength of unity in the 1973 war and oil struggle, the two superpowers, the United States and the Soviet Union, have both deliberately planned to undermine Arab unity and weaken and divide Arab ranks. Israel has also done its best to implement its policy of dividing the Arab world. From the point of view of the situation inside the Arab world, in addition to the various kinds of contradictions that originally existed, there are also profound differences of opinion on the policies for dealing with the serious situation that it faces. The internal conflicts of the Arab and Islamic world, in particular, the war between Iraq and Iran which has already lasted for over 4 years, have also deepened divisions in the Arab world and consumed its strength. Quite a

few Arab people are of the opinion that the Arab nation is now in "one of the most dangerous periods" in its history. Those who bear the brunt are the Palestinian resistance movement and Lebanon.

The Palestinian people are one of the peoples that has suffered most serious misery since the beginning of the 20th century and have also carried out their struggle most bravely. In the face of external oppression by a strong enemy and internal difference in the Arab world, the Palestinian people are undergoing difficulties and dangers in their struggle. The resistance struggle of the Palestinian people is at a difficult turning point. Rallying together to fight against the enemy is a demand of the common interests of the Palestinian people and the people of the various Arab countries. Though their path is arduous, under the leadership of the PLO, the Palestinian people will sum up their experience, strengthen their unity, and persist in carrying out prolonged and steadfast struggle together with the large number of Arab countries and peoples. They will finally win their victory.

Lebanon, a country in misery, has become a focus of various contradictions and a flash point in the Middle East. There have been 10 years of continuous disasters of war and conflicts in Lebanon. Furthermore, it suffered large-scale Israeli aggression in 1982. Since the U.S. Marine Corps withdrew from Beirut and the Lebanese-Israeli treaty was abrogated, the Lebanese Government has been striving to bring peace among the various factions at home. However, up till now, the Israeli aggressive troops have continued to occupy a large portion of Lebanese territory and refused to withdraw unconditionally. The two superpowers will not give up their efforts to seize a position in this important area either. Therefore, it is not easy to solve the Lebanese issue.

At present, a clear trend has emerged in the Arab world. Many countries there are striving to strengthen their independence and take the initiative into their own hands. In order to cope with the domestic and external situation, some countries have to draw support from this or that superpower, but they have, to different extents, kept a greater distance from the superpowers, adopted an even more balanced international policy, and developed relations with many areas. In the final analysis, the solution of the Middle East issue depends on the strength and struggle of the Arab people and on the unity among Arab countries.

Two basic conditions for solving the Middle East issue are: Israeli withdrawal from all the Arab territories that it has occupied since 1967, including Arab Jerusalem; and the restoration of the legitimate national rights of the Palestinian people, including the right of self-determination and the right to establish their own country. The Palestinian problem is the core of the Middle East issue. The PLO is the only legitimate representative of the Palestinian people and must have the right to participate on an equal footing in solving the Middle East issue. On the above-mentioned basis, the various Middle East countries should all enjoy the rights of independence and existence. Only thus can we gradually realize a lasting and just peace in the Middle East.

In order to promote a just solution of the Middle East issue, together with the people of other countries in the world, the Chinese people have always denounced the aggressive and expansionist policies of the Israeli authorities, opposed the two superpowers' scramble in the Middle East, and resolutely supported the Arab and Palestinian people's just struggle for the recovery of their lost land and their national rights.

History will prove that the Arab people who have a tradition of carrying out heroic struggle have a great potential in overcoming the enemy and achieving victories. The great Arab nation will finally remove the obstacles that block its progress and thus grasp its magnificently bright future.

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CONCENTRATE OUR ATTENTION ON PROPERLY STUDYING THE DOCUMENT OF THE THIRD
PLENARY SESSION

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 42-43

[Short commentary]

[Text] The "Decision of the CPC Central Committee on Reform of the Economic Structure" is a document of great historical significance that provides our party and state with a program for reforming the whole economic structure. The basic task and aim of the reform is to do away with the rigid structure of socialist economic management that has developed over the years and that cannot meet the needs of the growing forces of production, and establish a socialist economic structure with Chinese characteristics that is full of vigor and vitality. This will greatly arouse the enthusiasm of the vast numbers of workers, peasants, intellectuals, and cadres for modernization and will pave the way for the further emancipation of the forces of production in our country. We must concentrate our attention on properly studying this document on reform in order to gain a clear understanding of its programmatic nature and great significance.

This document has gradually taken shape through the practice of reform. Our party has gradually come to realize that urban reforms which focus on invigorating enterprises are bound to touch on problems relating to the whole economic structure. This requires us to reform our country's planning system, pricing system, system of state leadership and control over the economy, and other major aspects. In order to do a good job of this all-round reform of great historical significance, it is not enough merely to consider concrete plans and policies for this or that reform. The important thing is to correctly determine the general guiding ideology and orientation and resolve theoretical and policy problems of a fundamental and long-lasting nature first. This document on reform adopted by the plenary session aims at determining the outline, blueprint, and orientation of the reform of the socialist economic structure, and solving the problems of our socialist economic structure. This is something of historical significance and is watched by the whole world. It will determine our country's future course of advance. What we mean by concentrating our attention on properly studying this document is to concentrate our attention on this respect and not to depart from the central task and general orientation outlined in the document by diverting our attention to certain concrete policies and problems

of the present reform. Only by grasping the fundamentals can we achieve good results in our study.

This document adopted by the 3d Plenary Session of the 12th CPC Central Committee proceeds from the concrete conditions and requirements for our economic growth and, applying the basic tenets of Marxism, profoundly expounds a series of major theoretical and policy problems relating to the overall restructuring of the economy, thus providing the people with an exceedingly important theoretical weapon for emancipating their minds. The following ideas expounded in the document have greatly enriched our theoretical understanding of the socialist economy and the present reform: The socialist economy is a planned commodity economy based on public ownership; rational prices constitute an important condition for ensuring a dynamic yet not chaotic economy; invigorating enterprises is the key to restructuring the national economy; ownership can be duly separated from the power of operation in socialist relations of production; we must draw on the world's advanced methods of management, including those of developed capitalist countries, that conform to the laws of modern socialized production; the individual economy and the practice of using foreign funds and attracting foreign businessmen for various types of enterprises are necessary and beneficial complements to the socialist economy; respecting knowledge and talented people and cultivating intellectual resources are of special significance in socialist modernization; the policy of encouraging some people to get better off first through diligent work is the only road to prosperity for the whole of society; the grasping of both material and spiritual civilization under the leadership of the party, and so on. We should indeed study this document as a lesson on socialist political economics that integrates the basic tenets of Marxism with China's actual conditions. Through reading, discussing and grasping the scientific ideas expounded in the document, we should strive to master in an all-round way and profoundly understand and accurately grasp the spirit and essence of the document.

The reform of the economic structure covers a wide scope and is complicated in content. On top of this, many of our cadres know very little about economic work. For this reason, it is necessary to strengthen investigation and research on the basis of conscientious study. Leading cadres at various levels in particular must take the lead in doing this in order to better shoulder the heavy responsibility of leading the reform.

CSO: 4004/12

WHY IS IT THAT THE DEVELOPMENT OF COMMODITY ECONOMY IS A STAGE WHICH CANNOT BE BYPASSED IN DEVELOPING THE RURAL ECONOMY?

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 43-44

[Article by Qin Qiming [4440 0366 2494]]

[Text] At present, our country's rural areas are undergoing a transformation from a self-sufficient and semi-self-sufficient economy to a commodity economy on a relatively large scale. Revitalizing our country's rural economy demands that we must vigorously develop commodity production and exchange. This has already been understood by an increasingly large number of people.

Marx pointed out: "Even if a society has discovered the natural law that governs its own development,...it can still neither bypass nor abolish by decrees the stages of its natural development." ("Das Kapital," Vol 1, p 11) As an opposite to natural economy and as an inevitable trend of its further development, commodity economy is also a stage of the natural development of social economy that we can neither bypass nor abolish by decrees. The substitution of commodity economy for natural economy is an inevitable outcome of the development of social productive forces and marks social progress.

At the present stage in our country, developing commodity economy is also a stage that cannot be bypassed in developing our rural economy. At the present stage, we can say that developing commodity economy more precisely means developing rural economy. This is because:

First, only by developing commodity economy can there be flourishing vitality in the development of our rural economy. A natural economy is the opposite of commodity economy and is characterized by self-sufficiency in which production is directly aimed at satisfying the demand of the family or economic entity of the producers. Therefore, it can often only maintain simple reproduction and lacks the stimulus to carry out expanded reproduction. Like all other kinds of commodity production, socialist commodity production is also aimed at exchange and the law of value also plays its role of regulation. The demands of the market stimulate the peasants to continue to carry out expanded reproduction in order to earn more profits. Moreover, the competition in the market will also bring external pressure to bear on

the peasants who are engaged in commodity production and force them to develop production. The development of commodity production promotes the expansion of commodity exchange--conversely, the development of commodity exchange also promotes the further development of commodity production. Under the socialist conditions in our country, the mutual competition and promotion between the peasants and rural economic entities that are engaged in commodity production and exchange will inevitably invigorate even more the development of our country's agricultural production and rural economy.

Second, only by developing commodity economy can we modernize our agriculture. For only through a relatively large scale of the development of rural commodity economy can we break the situation of self-sufficiency and semi-self-sufficiency, promote the development of division of labor and specialization in our rural areas, and specialize and socialize the production there. Only by so doing can we relatively quickly develop our production, increase our income, and accumulate the funds needed for the modernization of our agriculture. And only thus can we make production managers pay attention to improving agricultural technology, equipment, and other production conditions, heighten their cultural, scientific, and technological level and raise labor productivity.

Third, only through developing commodity economy can we train a large number of talented people in developing rural economy. The law of value is a great school. In order to make the individual value of the commodities produced by peasants be lower than their social value so as to earn more profits, our peasants should adopt various kinds of measures to improve their administration and management, lower costs, raise economic results and adapt their production to the demands of the market. In this process, a large number of rural economic personnel will emerge who will be knowledgeable and skilled at management and at grasping market information.

Developing commodity economy will make our peasants rich more quickly and enable our rural areas to become prosperous more quickly. The development of rural commodity economy and the rise in the commodity rate of agricultural and sideline products will enable our peasants to sell more commodities and earn more income. At the same time, it will provide our peasants with more job opportunities and more opportunities to become rich. In addition to the development of cultivation and animal breeding, industry, construction, communications, commerce and service trades will also develop. On the basis of the development of rural economy, the cultural, educational, and medical undertakings in our rural areas will become increasingly prosperous, and small towns will spread all over our rural areas and develop into rural political, economic, and cultural centers.

The development of rural commodity economy is of great significance in developing our national economy and consolidating the worker-peasant alliance. Marx said that an agricultural productivity that exceeds the satisfaction of the demands of the laborers themselves is the foundation of any society. Under the conditions of commodity production, this kind of agricultural productivity is concretely shown in the commodity rate of agricultural products. The higher the commodity rate of our agricultural

products, the greater the quantities of commodities that our agriculture can supply for the society and the larger the amount of labor that can be transferred to nonagricultural sectors. Moreover, as rural commodity economy develops, peasants' income of currency also increases and this will provide the broadest market for light and heavy industrial products. The alliance between the two major classes of workers and peasants is, first of all, an economic alliance of class brothers who have identical fundamental interests and who help and support each other. The major economic link between the two classes is the exchange between industrial and agricultural products. This is also the only form that our peasants can accept. The more developed our rural commodity economy, the more developed the exchange between industrial and agricultural products and the more consolidated the worker-peasant alliance.

From the above we can see that indeed, the transformation from a self-sufficient and semi-self-sufficient economy to a commodity economy on a relatively large scale is a stage that cannot be bypassed in developing our country's socialist rural economy. Facts have already completely proved this. In the past, particularly during the 10 years of turmoil, because of the influence of "leftist" guiding thoughts, we regarded commodity economy as being equivalent to capitalism and tried to hinder the development of commodity production and exchange in our rural areas. As a result, the labor productivity and commodity rate of the agriculture in our country rose slowly and for many years, we failed to put an end to the situation of having 800 million peasants engaged in food production. Our rural economy lacked vitality and the income of our peasants rose very slowly. The weak agricultural foundation also directly hindered the development of the whole national economy. However, since the 3d Plenary Session of the 11th CPC Central Committee, a tremendous change has emerged in our country's rural economic situation. The fundamental cause for this is that we have corrected the "leftist" guiding thoughts in our rural work, implemented in a widespread manner the responsibility system with remuneration linked with output, thus emancipating the productive forces, and that we have given a free hand to the development of commodity production and exchange in our rural areas on this basis.

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WHAT ARE THE DIFFERENCES BETWEEN THE INDIVIDUAL ECONOMY AT PRESENT AND THE INDIVIDUAL ECONOMY BEFORE THE SOCIALIST TRANSFORMATION?

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 45

[Article by Wang Ruipu [3769 3843 3877]]

[Text] The individual economy has two basic characteristics. The first is that laborers are directly linked with the means of production they own as individuals. The second is that at all times it is an appendage to the dominant social economic form. The differences between the individual economy at present and the individual economy before the socialist transformation lie in two major aspects.

Before the socialist transformation, our nation's economy was a new democratic economy where socialist public ownership had not achieved absolute superiority in the cities and rural areas. Its basic characteristic was that the state-owned economy, the cooperative economy, the private capitalist economy, the state-owned capitalist economy, and the individual economy all coexisted. The villages were still boundless oceans of individual economy. After the socialist transformation, socialist public ownership gained an absolute superiority in the national economy. Because of the change in the dominant social economic form and thus, in the form to which they were appended, the individual economy differed greatly in these two historical periods.

First, their positions and roles in the national economy are different. The individual economy under the new democratic economy prior to the socialist transformation was one of five components of the economy. It was linked with the socialist economy and also linked with the capitalist economy. In the rural areas, the individual economy occupied the leading position, and it was the main component of the agricultural economy. The present individual economy receives guidance, on the economic level, from the socialist economy. It has an irreplaceable role to play in developing social production, in making things convenient in the lives of the people, and in expanding employment opportunities. However, regardless of whether it is in the cities or the rural areas, the individual economy does not occupy the leading position, but is subordinate to the socialist publicly owned economy. It is a necessary, beneficial adjunct to the socialist economy.

Second, their prospects of development are different. The individual economy prior to the socialist transformation had two prospects for development. The first was "polarization" where some of the people would have evolved into exploiters who owned the means of production, and the great majority of the people would have lost the means of production and become hired laborers. The second was to take, through socialist transformation, the cooperative economic road. The victory of socialist transformation resolved the contradictions between the socialist road and the capitalist road, and has basically changed the socioeconomic conditions on which the individual economy exists. Thus, the present individual economy cannot evolve into a capitalist economy. In the socialist period, the individual economy will exist for a long period. Finally, on the basis of voluntary participation and mutual benefit, and through the alliance of various forms, it will take the road of the cooperative economy.

There are great differences between the present individual economy and that prior to the socialist transformation. It is precisely for this reason that state policies toward them also differ. Previously, there was stress placed on the socialist transformation of the individual economy. Now the stress is placed on supporting the development of the individual economy. Under the guidance of state policies and plans, the principle of the state economy, the collective economy and the individual economy developing together has been implemented. Under the guidance of this principle, the individual economy will see considerable development. At present, the proportion of the individual economy in the total economy is very small. We must pay attention to overcoming the mistaken ideas and actions which discriminate against the individual economy and individual laborers. We must sweep away the obstacles in the way of the development of the individual economy in the cities and countryside, establish necessary conditions for its development and give it the protection of the law. We should greatly develop the individual economy, especially in those economic activities mainly based on labor services and in those where decentralization is suitable.

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WHY DO MANY STILL BELIEVE IN RELIGION IN SOME COUNTRIES WHERE SCIENCE AND TECHNOLOGY ARE HIGHLY DEVELOPED?

Beijing RED FLAG in Chinese No 23, 1 Dec 84 pp 45-47

[Article by Duan Lian [3008 4886]]

[Text] Since the mid-19th century and particularly after World War II scientific and technological development in the United States, Japan, and certain Western European countries has been rapid. However, there is still a large number of religious people in these countries where science and technology are highly developed. For instance, the total U.S. population is over 220 million and the number of Christians (including Catholics, Protestants, and followers of the Eastern Orthodox Church) is over 130 million. According to statistics in the 1981 "Annual Religious Report" of the Japanese Cultural Department, Japan's total population was 115 million with 203 million worshippers of various faiths (the latter figure exceeds the total population because many people believe in more than one faith).

Why is there such a large number of religious people in the United States and Japan where science and technology are highly developed?

Engels pointed out that: "All religions are reflections of fantasies in the people's minds about the external forces which manipulate their daily lives. In such reflections, human strength has adopted the form of supernatural strength." ("Selected Works of Marx and Engels," Vol 3, p 354) When we apply this concept in analyzing the question of religion in the scientifically and technologically developed countries, it is not hard to see that the "external forces which manipulate the people's daily lives" still exist in these countries.

First, there is the force that comes from society. In a contemporary capitalist society, the main origin of religion is the capitalist system and it is the people's fear of the blind force of capitalism. Scientific and technological development has greatly speeded up development of social production and enriched the people's material living, however, the nature of capitalist society has remained unchanged. On the contrary, the higher the degree of capitalist concentration and monopoly, the more acute will be the persistent contradictions of capitalism and the contradictions between the social nature of production and the system of private ownership of the

means of production, causing more frequent economic crises and shortened circulation periods. There have been six economic crises in both the United States and Japan since World War II. Along with the economic crises came enormous production reductions, suspended operations, and the closing down of factories; an enormous drop in production; the serious sabotage of credit relationships; an acute drop in stock market prices; a sharp increase in unemployment; and the bankruptcy of a large number of urban and rural small producers. During the crises, the entire society was chaotic and paralyzed. The majority of the people who live in capitalist society is manipulated by such blind forces. Under the pretext of the sham bourgeois slogans of "liberty," "democracy," and equality," there were rivalries between political parties and factions and social flaws such as each trying to cheat the other, crime, drug addiction, excessive drinking, gambling, divorces, and so on became serious. People were unable to control their fate and future and were spiritually empty and depressed. In actual life, they were unable to get away from pain and hardship and this drove them to seek consolation from religion. This is the breeding ground of religion. Thus, not only did various traditional religions and superstitions spread widely, but certain newly established religious sects also came into being one after another. For instance, there are about 155,000 shrines and monasteries of various sizes in Japan, 280-odd national religious bodies, and 17 religious sects which have over 1 million followers. In the United States, there are about 260 religious sects and 330,000-odd local religious groups in all. The fervor of the newly emerged religious sects fully reflects the depth of the contradictions of capitalist society. Lenin pointed out that: "The social pressure that is felt by the laboring masses makes them feel helpless in front of the blind forces of capitalism which are a thousand times more disastrous than the wars and earthquakes which, from time to time, cause the laboring masses to suffer. This is the deepest root of current religions." ("Collected Works of Lenin," Vol 15, pp 379-380) Lenin's analysis is still applicable today.

Second, there are natural forces. In the wake of the development of science and technology and the general improvement of cultural and educational standards, people have a deeper understanding of the natural world and their ability to control nature has also strengthened. Many old religious concepts concerning man and the natural world have basically been shaken. However, many natural phenomena are still beyond human control and many natural calamities still seriously threaten the people. These natural forces still remain an alien force to human beings. In addition, human understanding of the natural world, whether the macroworld or the micro-world, is still incomplete and there are still many unknown areas of concern. People always call these unknown areas the sphere of God's domination. Ignorance breeds gods. In his criticism that metaphysics and narrow empiricism have created grounds for God's existence, Engels pointed out that: "If what Newton exaggerated and named the center of gravity is treated as the characteristic of the substance of mass, where then does the tangent force which causes the planets to orbit and which has not been explained come from? How were the innumerable species of plants and animals created? How was man, who has not been proven to have existed from the very beginning, created? Regarding these questions, natural science always answers that it

is the work of the creator of all things." ("Selected Works of Marx and Engels," Vol 3, p 449) At present, due to scientific and technological developments, people's understanding of the world has greatly improved. However, idealist and metaphysical concepts still exist generally in these scientifically and technologically developed countries. Many contemporary natural scientists consciously or unconsciously implement idealist concepts in their own realms of research and have made brilliant contributions. However, before a reason has been deduced to explain these, they are considered God's inspirations. When they encounter questions which cannot be explained by science, they turn to agnosticism and mysticism and regard these temporarily unexplained questions as God's creations. Idealism is adhered to consciously or unconsciously regarding the understanding of social history and the flaws of capitalist society cannot be correctly understood and treated. This is due to the fact that many scientists believe in religion. It is even more natural for ordinary people to believe in the religious propaganda.

Dialectical materialism and historical materialism expose the objective laws governing the natural world and the development of human society and human thinking and is the only scientific world outlook. Only those who can really establish such a world outlook can be true atheists. In some capitalist states, some advanced people including some scientists have mastered such a world outlook and have become true atheists. However, as far as the majority of people is concerned, their standard is far below this. A very important reason for this is that the environment of capitalist society has hindered the people from coming into contact with, mastering, and learning dialectical materialism and historical materialism. The bourgeoisie supports scientific and technological development and supports cultural and educational affairs for the sake of developing production and cultivating advanced, skilled technicians in order to gain great profits. In order to protect their own interests and strengthen their political rule, the bourgeoisie strives to conceal the nature of capitalism. One of the means to this end is to make use of and support religion in order to divert the attention of the laboring masses and paralyze their fighting will. Although some countries advocate separation of politics from religion, in fact, some religious bodies are supported by key government personalities and certain political parties. For instance, in the presidential elections of certain countries, some parties win by making use of religion. In these countries, religion deeply influences the people's daily ways of thinking, culture, and education. The bourgeois rulers also make use of such traditional, superstitious thinking and habits to vigorously encourage religion in order to strengthen their ruling position.

There are laws governing the emergence, development, and extermination of religion. Marx once pointed out: For religious reflections to vanish from the actual world, "there must be a certain social material foundation or a series of conditions for material existence and these conditions must be the natural product of long-term and painful historical development." ("Collected Works of Marx and Engels," Vol 23, p 97) Advanced development in science and technology under capitalist society alone will not be able to achieve this goal. Only by thoroughly changing the capitalist system,

establishing a socialist society, and then developing socialist economy, culture, and science and technology, gradually eliminating the roots which give rise to religion, in society and knowledge, and thoroughly shaking off poverty, ignorance, and spiritual emptiness, can we achieve this goal. By then, all the people will be able to spontaneously see the world and life with a scientific attitude and will no longer need to seek spiritual belonging from unreal gods.

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ENTERPRISE AS A BODY CORPORATE

Beijing RED FLAG in Chinese No 23, 1 Dec 84 p 48

[Article by Wang Chaozhi [3769 6389 0039] in "Material for Study" column]

[Text] A legal person is a concept in civil law. It is referred to, in contrast with natural person, as another category of body with civil rights. In the eyes of civil law in our country, a natural person is synonymous with a citizen in our country, and, based on mankind's natural reproduction (birth), at birth becomes a citizen person embodying both rights and duties. Foreigners residing in the country and stateless persons also belong to the category of natural persons, but under the laws of our country, they enjoy only certain rights within a legally prescribed sphere and bear certain legal obligations. A legal person is different from a natural person. It is not an individual citizen based on the possession of life, but comes into being according to a definite legal procedure, being a body corporate which possesses properties concerning which it can make its own operational decisions and can independently enjoy civil rights and bear civil duties.

According to the regulations of the civil laws of our country, it is necessary for a legal person to possess the following special features:

1. A legal person is a social organization formed according to law. This social organization must have definite purposes and objectives, must have a definite organizational structure, must be governed by clear and definite regulations or rules, and must have a clear-cut sphere of activities and clear-cut types of activities, being accorded recognition and protection by the laws of our country.
2. A legal person must possess properties which are subject to its autonomous control or operations. A legal person being a main body with rights and duties in the eyes of civil law, its extensive economic relations and economic activities in social life must be based on its independently possessing properties which are subject to its autonomous control and operation. Possession by a legal person of properties which are subject to his autonomous control and operation means, on the one hand, that these properties are accorded protection by the state and legal statutes, free from any illegal infringement, and, on the other hand, that these properties of the legal person are separate from the properties of constituents of the

legal person, from the properties of organs subordinate to the legal person, and from the properties of other legal persons. Legal persons which are enterprises under the system of ownership by the whole people also carry the significance that their properties must be differentiated from the properties (treasury) of the state. Unless separately designated by law, the state and the individual bear no responsibility for the liabilities of the legal persons.

3. A legal person must have the capacity of exercising civil rights and actions, able to use its own name to independently enjoy civil rights and bear civil obligations. A legal person is recognized by law as a social organization which has the capacity of exercising civil rights and the capacity of taking civil actions. This special feature denotes that a legal person is an entity which can independently bear financial responsibilities. This is an essential landmark of the legal status of a legal person. But it is necessary to point out that the financial responsibilities which a legal person bears independently are confined to the rightful properties of the legal person. Unless otherwise prescribed by laws, this has no relation to the state or to the constituent members of the legal person; in other words, the financial responsibilities borne by a legal person are limited.

4. A legal person must have litigation capacity; if necessary, it can start legal proceedings against other people or be sued, playing the role of the plaintiff or the defendant.

As a social organ, a legal person's production and being are not at will; rather, a definite procedure and method must be followed. In our country, a legal person is an organ which uses its own name to perform its own social functions or take part in the various kinds of economic exchanges in society. A legal person's activities must conform with social interests, and abide by the socialist economic order; its formation must pass through a definite procedure, duly recognized by the state. In our country, in accordance with the different nature and different functions of the legal person, its formation follows the following procedures and methods:

1. Formation in accordance with laws formulated by organs of authority of the state, or with the administrative statutes, resolutions, and orders promulgated by administrative organs, or with the mandatory documentation of state organs vested with the power of organizing legal persons, such as state organs, enterprise units, and so on. This category of legal persons, once they are formed, are ipso facto provided with the qualifications of a legal person.

2. Formation through the procedure of approval and registration by the state. Due recognition of this group of legal persons must first pass through the procedure of application in advance, examination, investigation and checking, approval, registration, and so on. For example, in the case of an enterprise, the contents of its registration form include the following: Name of enterprise, nature, name(s) of responsible person(s), address of enterprise, sphere of production operations, total amount of capital,

number of staff members and workers, dates of preparation and opening for business, and so forth. Organs which should have been registered but have not been registered, and have not yet received the recognition of the state, do not have the status of a legal person and are not allowed to carry on activities in the name of a legal person.

3. Formation in accordance with the standard conditions or regulations prescribed by the state. The nature, sphere of activities, and form of activities of this category of legal persons must conform with the standard prescribed by the state and must first have been examined, checked, and duly recorded for reference by the departments in charge before they can attain the status of a legal person. For example, in the case of the agricultural production cooperatives of our country and so forth, they have been formed in abeyance of the relevant documents prescribed by the state and in accordance with a definite standard and regulations. Once they are formed, this category of organizations possesses the qualifications of a legal person.

The "Decision of the Central Committee of the CPC on Reform of the Economic Structure" pointed out that enterprises under the system of ownership by the whole people should be legal persons with definite rights and duties. This rectifies the erroneous actions of not recognizing the legal person's status of being an enterprise or willfully infringing on and depriving the enterprises of their various kinds of fundamental rights as legal persons. It enables enterprises to truly become economic organs which enjoy the various kinds of rights prescribed by law. On the logical premise of abiding by the state's plan and control, enterprises have the right to choose flexible and diversified forms of operation, right to arrange their own production, supply, and marketing activities, right to own and make use of self-retained funds, rights to appoint or dismiss, select or elect for appointment the enterprises' own personnel, right to decide on the mode of labor usage and the forms of salaries, wages, and bonuses, right, within the sphere approved by the state, to determine the prices of the enterprises' own products, and so on and so forth. These rights cannot be violated by any state organ or individual. Naturally, in this connection, it is still necessary to further strengthen the relevant legislative work so as definitely to protect the legal person's qualifications as an enterprise and to ensure the smooth completion of the reform of the economic structure of our country.

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DISCOURSE ON 'ABLE PERSONS'

Beijing RED FLAG in Chinese No 23, 1 Dec 84 inside back cover

[Article by Cheng Wang [4453 2598]]

[Text] Inevitably, some people exploit and distort any popular topic. For example, the topic of employing able people is now in vogue and there has been a small number of people who have written some absurd articles that have nothing whatsoever to do with the topic. As proof, I will cite two news reports from recent newspaper issues:

The director of the Minqing County Water and Power Supply Bureau has exploited his official power to pursue his private ends and has savagely bullied villagers. Therefore, the masses have denounced him, calling him a man as evil as a wolf. However, the day before he was arrested, someone at the power department at the upper level called the Minqing County party committee to plead for him, saying that the director "is an able person whose only shortcoming is his bad temper, and we suggest that when the county carries out structural reform, it continue to employ him."

A certain organization promoted to the post of section chief a person who is competent and clever in doing his work but who is very selfish and has often taken public things for his private purposes. Public opinion loudly protested this promotion. However, the leaders concerned said the following in their own defense: "We would rather employ able people with certain shortcomings than employ incompetent people who have no shortcomings."

The reason for this distortion does not lie in any defect in our topic. Therefore, the above erroneous opinion of the leaders does not provide any grounds for negating the positive significance in employing able persons without sticking to any fixed pattern. However, as this principle has often been distorted, people will finally doubt it.

"Incompetent people who have no shortcomings" is a wrong concept. In fact, such people do not exist, but we are not going to argue about this. I think the idea about able people with "certain shortcomings" is definitely worth probing. What is the nature of the shortcomings? Are they "small defects," "big weak points," "mistakes" in the work, or "outrages" of various kinds committed because of their selfishness? We should distinguish between them.

Has there ever been a perfect person? No, there has not. It is foolish to demand perfection from a person. However, we should not go to another extreme because of this and see only people's ability, refusing to enquire into their virtues, and thus employing people improperly. There are many kinds of able people. Some of them are both competent and virtuous, others are more competent than virtuous, and still others are competent but not virtuous. Over 300 years ago Francis Bacon was a man of wisdom and talent, who was also famous for his evil deeds. As a philosopher, he was the founder of British materialism and of the whole modern scientific method; therefore, he could be regarded as a person of extremely great wisdom and talent. However, as a politician, he was extremely cruel and had no scruples, even going so far as to frame his friends in order to obtain his own interests and aims.

What our times require is able people who are both virtuous and competent instead of people like Bacon. We should not refuse to see the competence of able people because of their defects. We hold that able people can plunge themselves into the reforms despite their defects. However, one should foster the idea of placing the interests of the society and people first, or at least should not be obsessed with pursuing private interests, as was often seen in a society of exploitation. If we say that able people are a social group, we should see that this is a group that consists of many tiers. Those people in the group who have been appointed to leading posts and who have been selected to be appointed to leading groups at various levels in the future must be required to have not only knowledge, courage, and creativity, but what is more important, to have a relatively high awareness of the policies and a relatively high ideological and moral level. Precisely because there are no perfect people in the world and because the wisdom and talents of all people are limited, an able person must rely on the party's leadership in the course of forging ahead and must be good at giving play to the wisdom of the masses of the people and correctly handle the relations between himself as an individual and the collective. If he fails to do so, he will not be able to score great achievements in his work no matter how competent he is.

In the final analysis, regarding the problem of employing people, we should continue to adhere to the principle of stressing both competence and virtues. We should break old conventions and employ able people without sticking to any fixed pattern, but we must adhere to the principle of attaching importance to both competence and virtues. Perhaps this can be regarded as a characteristic of socialism in the area of employing people.

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A NEW BOOK WORTH READING

Beijing RED FLAG in Chinese No 23, 1 Dec 84 outside back cover

[Book review by Huang Weiding [7806 5617 3957]]

[Text] Ideological and political work in enterprises is a science and it must have a scientific theoretical system. Establishing a theoretical system for the ideological and political work in our socialist enterprises that is suited to the reality in our country is an urgent demand of the new historical period for strengthening and reforming enterprise political work and making it scientific and effective. Recently, the CPC Central Party School Publishing House published a book entitled "An Introduction to Ideological and Political Work in Socialist Enterprises," which was edited by the National Economy Teaching and Research Section of the Beijing Municipal CPC Committee Party School. This book makes a significant exploration of this system and takes a heartening step forward in this work.

This book was written on the basis of profound investigation and study. In order to write it, the writers went to various kinds of factories to investigate typical examples for over 6 months, collected and studied a large amount of material collected from all areas in the country, and familiarized themselves with the details of the state of affairs concerning the thinking of various kinds and tiers of staff and workers and with the characteristics of various kinds of ideological and political work. Therefore, when one reads the book, one strongly feels that it is a book of the times. This book relatively satisfactorily embodies the unity between the requirements for being scientific and for being realistic.

The writers have made a careful study and practical analysis of the historical and actual experiences of ideological and political work in our country's enterprises, including the correct experiences and lessons drawn from our mistakes (particularly from the prolonged "leftist" mistakes) and have striven hard to sum up and evaluate them in theory. They have neither simply negated nor blindly copied certain valuable foreign experiences and theories. For example, regarding the "behavioral science" of Western countries, the writers have not only pointed out its class and historical limitations and analyzed its essential difference from ideological and political work in socialist enterprises, but also made a concrete analysis of its scientific parts and pointed out what reasonable parts of it we could refer to and use.

The book makes a relatively systematic study of the system of theory on ideological and political work in socialist enterprises. It is characterized by studying the special law governing ideological and political work in enterprises in close combination with the economic work and scientific management of enterprises. Two important basic thoughts run throughout the entire book: First, in order to satisfactorily run a socialist enterprise, we must act thoroughly in accordance with objective laws, namely, economic laws, natural laws, and the law of the effect of the superstructure on economic relations. We should make great efforts to research into the interaction of these laws and find the best way to combine the effects of all of them in order to make them play jointly a harmonious and positive role. Second, we should be clear that, in essence, ideological and political work in socialist enterprises is the self-education of the working class, and has already become the self-education of the working class which has already become the leading class and master of the society. Centered on this basic idea, the book expounds, in the manner of integrating theory with practice, on a series of basic principles, categories, subjects, and methods for ideological and political work in enterprises. It discusses effective ways to actually make ideological and political work in our country's enterprises scientific. Of course, the writers have only done the initial work in this and it will need to be further improved, supplemented, and upgraded.

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